Weekend FT

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Pop goes the Diva

Opera films. Opera blockbusters, opera as Mozart never imagined it: the changes that slick marketing and modern economics have wrought on an old art .... Page I

A painter's life
Fred Cuming (left) on his work in a world of colour ..... Page XX

A Christmas feast
Kieran Cooke plans a dinner that starts in Laos and ends in Galway .... Page XI

EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

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Weekend November 30/December 1 1991
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WORLD NEWS

Japanese ex-minister jailed for tax evasion

Former Japanese cabinet minister Toshiyuki Inamura was yesterday jailed for evading Y1.7bn ($13.07m) of taxes in a ruling which sets a tough precedent for politicians and others facing proceedings over the Recruit bribery affair. The exemplary sentence means the former director general of the environment agency will serve four years and three months in prison with hard labour and no right to remission.

The sentence was seen as a warning to any Japanese politicians tempted to think themselves above the law in their financial dealings and fund-raising activities. Page 3

South African talks

Historic talks opened smoothly in Johannesburg when 20 South African political groups agreed on a date for begining substantive negotiations on a post-apartheid constitution.

Chinese activist freed

China freed student leader Wang Youcai, the New China News Agency reported. Wang, jailed for his part in the 1989 pro-democracy protests, was released early because he had shown repentence, the agency said.

Ukrainians go to polls

Voters in the Ukraine are likely to choose independence when they go to the polls tomorrow, in spite of warnings of catastrophe by Soviet President Mikhail Gorbachev. Background, Page 2

Yugoslav army move

The Yugoslav federal army began withdrawing from barracks in Croatia after the republic said it would allow UN peace-keepers to be deployed at battle zones on its territory. Page 2

Lineker baby's illness

The eight-week-old son of England soccer captain Gary Lineker is seriously ill with acute myeloid leukaemia, London's Great Ormond Street Hospital said.

Pakistan purge

Pakistani police continued for a third day to round up supporters of opposition leader Benazir Bhutto. Her Pakistan People's party said at least 2,200 party workers had been detained in Sind province.

French force for Togo

France is mobilising a force to be sent to protect some 3,000 Europeans in Togo, where soldiers have overthrown the reformist prime minister in an attempt to restore Gen Gnassingbe Eyadema to power.

Brazil cholera fears

Cholera could rip through the slums of Rio de Janeiro, killing some 2,000 people and infecting up to 200,000, a health official of the Brazilian city warned. The epidemic has already killed more than 3,000 people in Latin America.

German bank upset

Germany's upper house of parliament threw the future organisation of the Bundesbank into confusion when it unexpectedly rejected a government bill to change the bank's structure. Page 2

Action struck out

Hard-pressed British businessman Mark Harries failed in his High Court bid to sue the UK government for allegedly mishandling the economy. Mr Justice Judge struck out his £1m ($1.8m) damages claim.

BUSINESS SUMMARY

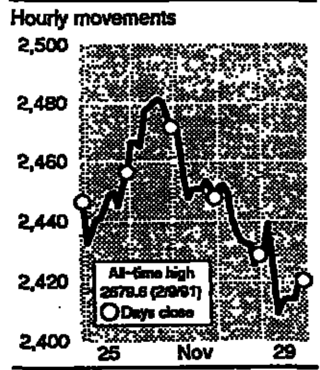
Dubai airline likely to place order worth $1.8bn

Emirates, fast-growing airline based in Dubai, is expected to announce a $1.8bn order for wide-bodied aircraft before the end of this year.

The airline held talks with Airbus, Boeing and McDonnell Douglas last week and is finalising its decision on a new fleet of up to 14 wide-bodied airliners. Page 22; BA sale to GE cleared, Page 4

LONDON equities: The building and construction sector collapsed following a depressing statement from Lovell. The FT-SE Index showed a net daily fall day of only 8.4 points to 2,420.2 , but sentiment remained very nervous. The Footsie has fallen by 26.1, or 1 per cent, this week and is challenging levels last seen five months ago. London stocks, Page 13; Lex, Page 22

FT-SE 100 Index



CABLE and Wireless, telecommunications group, has pulled out of an agreement to buy TRT/FTC Communications, US long-distance telecommunications carrier, for $174m. Page 8; Lex, Page 22

JAPANESE economic indicators reconfirmed the economic slowdown. Conditions in the labour market eased marginally while demand for housing continued to decline. Page 3

STERLING: Helped by a stronger dollar, the pound gained 1 pfennig against the D-Mark to ease fears about a further slide by sterling in the exchange rate mechanism. It finished in London at DM2.87, its highest point in the week although 8 pfennigs below its DM2.95 ERM central rate. Currencies, Page 11; Outward calm of the currency custodians, Page 4; Lex, Page 22; Editorial comment, Page 6

BERLIN Handels-und Frankfurter Bank, Frankfurt-based merchant bank, is expanding its European network by taking stakes in Italy's biggest stockbroker and a Dutch merchant bank. Page 10

OLIVETTI: Carlo De Benedetti restructured top management of the Italian computers and office equipment group, less than three weeks after re-taking direct control. Page 10

NESTLE has launched a full bid for the shares of French mineral water company Société Générale des Eaux Minérales de Vittel that it does not already hold. Page 10

FRENCH steel industry: The legality of FFr2.5bn ($450m) in "state aid" for steel maker Usinor/Sacilor must be tested in the European Court of Justice, said the German Steel Federation president. Page 2

BAT INDUSTRIES said it will not sell its 67 per cent controlling stake in Australian cigarette-maker, WD & HO Wills Holdings, after Brierley Investments Limited revealed it had bought 6.7 per cent. Page 10

EC ministers begin flurry of pre-Maastricht talks

By David Buchan in Brussels and Ivo Dawnay in London

EC MINISTERS today begin their last negotiations on European political and monetary union before the Maastricht summit, with all sides showing apparent determination to reach agreement.

Most of the pre-Maastricht negotiations are now being handled at the highest level. EC heads of government will continue a flurry of bilateral meetings over the next few days in an attempt to forge understandings before convening in the Netherlands on December 9-10.

Mr John Major, UK prime minister, will visit The Hague tomorrow to see Mr Ruud Lubbers, Dutch prime minister, for the second time in 10 days. On Monday, Mr Major will host a working lunch with President François Mitterrand of France at Downing Street.

Yesterday, Mr Major expressed guarded optimism that EC heads of state could reach agreement at the summit. But he told Tory supporters in Oxford: "We don't want a deal that is not in the interests of British industry, commerce, and the British people, and I don't believe Europe would force such a deal on us."

Finance ministers will tonight start reviewing all outstanding issues in the negotiation on economic and monetary union. The dispute over whether all countries – or just Britain – should be allowed to decide later in the 1990s about adopting a single currency will be left until Maastricht.

Mr Lubbers, organiser of the Maastricht summit, repeated in a newspaper interview yesterday his view that Britain would join Emu by the end of the century. Mr Major is expected to use the talks with Mr Lubbers to underline Britain's continuing opposition to the introduction of qualified majority voting on social issues, but its readiness to give some ground on other outstanding political union questions.

Aside from threats by Greece and Spain to veto Maastricht unless they get particular items written into the treaty, statements from the main players – Germany, France and the UK – have avoided much of the hard-line posturing that has preceded EC summits of far less consequence.

Speaking of the UK, President Mitterrand told a German newspaper: "It is better to show understanding and patience than to leave a great European country by the wayside." However, he warned that a recalcitrant Britain could find the others going ahead without it.

Officials in London said the talks between Mr Major and Mr Mitterrand were likely to focus on differences over defence issues and to seek com-

Continued on Page 22

Conflict unabated .... Page 4
Tempo quickens .... Page 6

Bush considers big cuts in US defence spending

By Lionel Barber in Washington

PRESIDENT George Bush is considering big new cuts in US defence spending in an effort to recapture the political initiative before launching his 1992 re-election campaign.

Mr Bush's "peace dividend", combined with proposed revisions in the budget deficit reduction agreement, is expected to be unveiled in his State of the Union address to Congress in late January, senior US officials said.

The president has come under increasing criticism from Democrats and members of his own Republican party for neglecting domestic issues and failing to produce an economic growth package to restore public confidence in the stagnant US economy.

The slump in Mr Bush's popularity has prompted plans for a new year counter-attack. He will shortly announce his campaign team, unveil a strong State of the Union address, and "play presidential" as he prepares for the New Hampshire primary in mid-February, his first election test.

In the past two weeks, the president has consulted Mr Dick Cheney, defence secretary, Mr James Baker, secretary of state, and Mr Brent Scowcroft, national security adviser, about cuts in the defence budget beyond the 25 per cent reduction in forces planned by 1995.

These cuts would affect significant weapons programmes such as the B-2 Stealth bomber, as well as the number of active duty US army divisions, tactical fighter wings and aircraft carrier groups. The cuts, which could save up to $50bn (£28bn), would be made gradually, starting next year with heavier reductions at the end of the five-year cycle.

One possibility is that the US army could cut the number of active divisions from 18 to 10 by 1995, instead of the planned 12. The US navy could trim its battle carrier groups from 14 to nine, instead of 12; the air force could bring down its tactical fighter wings from 36 to 20, instead of 26.

Senior US officials say the defence budget can bear further cuts because of the collapse of the Soviet Union and the resulting disappearance of the main threat to US national security. The Pentagon's five-year budget reduction plan was drawn up before the sweeping changes of the past 12 months, a senior US official pointed out.

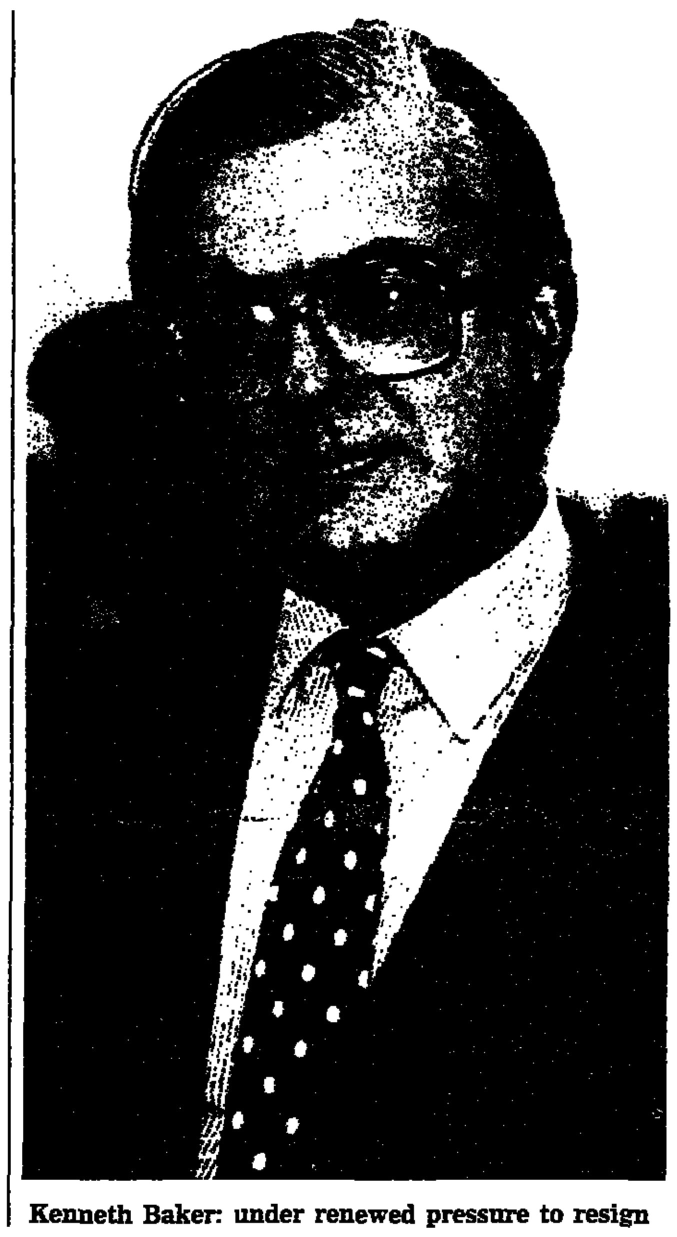
These same calculations have started to influence administration thinking about the budget deficit reduction agreement negotiated with Congress at the end of last year. The pact sets dollar ceilings for defence, foreign aid and domestic categories, but it stipulates that tax reductions require corresponding spending cuts and prohibits funds to be shifted between the various categories.

The prevailing view is that the budget accord has proved a fairly effective constraint on Congressional spending, though a growing number of senior officials believe it is too inflexible. A consensus is emerging in favour of amending the pact so that spending can be shifted between categories, while maintaining an overall cap on total spending.

This month, Congress failed to support a $1bn humanitarian aid package to the Soviet Union, including the provision of several hundred million dollars for dismantling nuclear weapons, all to be drawn from the defence budget.

Democrats and Republicans were nervous about being accused of backing foreign aid at the expense of domestic US needs, but as one US official said: "Helping the Soviets dismantle their nukes is not foreign aid – it's in our national interest."

Officials hope they can maintain a cap on overall spending, since news that the administration intends to revise the budget accord could unnerve the financial markets and lead to a rise in interest rates. This could further hurt the economy.



Kenneth Baker: under renewed pressure to resign

Kenneth Baker is guilty of contempt

By Robert Rice and Ivo Dawnay

MR KENNETH BAKER, the UK home secretary, gave notice last night that he had no intention of resigning his office despite an unprecedented verdict by the Appeal Court finding him in contempt over the deportation of an asylum seeker.

It is the first time a UK government minister has been found guilty of contempt of court.

The case has whipped up a storm of controversy around Mr Baker, whose year-long tenure of the Home Office has been repeatedly dogged by controversy.

Already under fire for the escape this summer of two IRA suspects from Brixton prison, Mr Baker has been criticised by members of his own party for his handling of the dangerous dogs issue, and is currently facing an onslaught of opposition attacks on the Asylum Bill, now passing through the Commons.

As the opposition parties stepped up calls for his immediate resignation, Mr John Major, the prime minister, brushed aside as "silly" suggestions that he might ask his home secretary to step down.

The new row guilty finding has nonetheless put a new

Continued on Page 22

Economy case, Page 5

UK building shares fall as Lovell makes £62m provision

By Bronwen Maddox

UK BUILDING shares fell sharply yesterday after YJ Lovell Holding's announcement that it was making some £62m of provisions against the value of development property and would pay no final dividend.

Shares of the construction group fell 61 per cent to 37p and there were tremors throughout an already nervous building and construction sector, depressing hopes that the recession was bottoming out.

Mr Robert Sellier, Lovell's chief executive, said: "I do not see any recovery for 1992 either."

In April Lovell raised £31m in a rights issue to shore up its balance sheet, part of a wave of rescue rights issues in the sector earlier in the year. The issue compensated for the £25.9m provisions that the group thought it would make in the full year to September.

Liquidations rise .... Page 5
Lex .... Page 22

Mr Sellier, who joined the group in March, said yesterday: "On the basis of our audit of the land bank – which assumed that there would be some improvement in house prices – we thought then that we'd cleaned out the Augean stables".

The group has now identified a further gross £36m of provisions, exceptional and extraordinary charges. The recovery it had discerned in April "had proved to be shortlived".

Lovell Homes, the house-building subsidiary, had sold only 865 units by September instead of the expected 1,000, the US and UK commercial property markets had declined, and the group now planned to withdraw from US commercial development and from Spanish housing, the group said.

On balance sheet debt of £65.7m in September was £15m higher than Lovell had expected. Its year-end total debt, including about £40m off balance sheet, is likely to be some 170 per cent of net assets after the provisions.

The group, which had planned to pay a maintained final dividend of 6.75p, expects present gearing to breach bank covenants, but is having "constructive discussions" with Barclays, its chief UK bank.

Taylor Woodrow, the rival construction company which bought 4.9 per cent of the group in June, said: "We bought the stock for investment purposes and this does not change our position."

MARKETS

STERLING
New York lunchtime:
$1.767
London:
$1.765 (1.768)
DM2.87 (2.86)
FFr9.80 (9.755)
SFr2.535 (2.5275)
Y229.5 (same)
£ index 90.6 (90.4)

GOLD
New York Comex Feb
$371.1 (367.9)
London:
$365.35 (366.05)

N SEA OIL (Argus)
Brent 15-day Jan
$20.25 (+0.575)

Chief price changes yesterday. Page 22

DOLLAR
New York lunchtime:
DM1.6245
FFr5.5515
SFr1.4345
Y129.85
London:
DM1.6265 (1.617)
FFr5.5525 (5.2225)
SFr1.4345 (1.4295)
Y130.05 (129.85)
$ index 63.5 (63.2)
Tokyo close:130.07

US LUNCHTIME RATES
Fed Funds: 4 13/16%
3-mo Treasury Bills:
4.451%
Long Bond:
100 3/32
yield: 7.931%

STOCK INDICES
FT-SE 100:
2,420.2 (−8.4)
FT-A All-Share:
1,168.95 (−0.5%)
FT-SE Eurotrack 100:
1,062.86 (−7.9)
New York lunchtime:
DJ Ind. Av.
2,894.9 (−5.14)
S&P Comp
375.33 (−1.22)
Tokyo: Nikkei
22,687.35 (−93.07)

LONDON MONEY
3-month Interbank:
10 5/8% (same)
Liffe long gilt future:
Dec 94 5/32 (93 3/4)

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Yugoslav army pull-out begins

By Laura Silber in Belgrade, **Christopher Parkes** in Bonn and **Michael Littlejohns** in New York

THE YUGOSLAV federal army yesterday began withdrawing from barracks in Croatia after the republic said it would allow United Nations peacekeeping forces to be deployed at battle zones in its territory.

Meanwhile, Chancellor Helmut Kohl of Germany yesterday raised the tempo of his campaign for rapid European Community recognition of Croatia and Slovenia by inviting the presidents of both states to talks in Bonn next week.

Mr Franjo Tudjman, the president of Croatia, said on Thursday night that UN forces could be deployed in Croatia's battle zones, after previously insisting that they could be posted only along the republic's borders.

Croatia fears that Serbia will gain the third of Croatia's territory at present controlled by the federal army.

After Croatia lifted its blockade of army barracks in its territory, a convoy of about 200 tanks and vehicles pulled out of two federal bases in Zagreb, the Croatian capital, according to Tanjug, the Yugoslav news agency.

European Community monitors watched as the convoy moved south from Zagreb towards the republic of Bosnia-Hercegovina.

The lifting of the blockade and the troops' withdrawal are crucial elements in the first UN-negotiated ceasefire in Yugoslavia, the 14th in the conflict all told.

Mr Tudjman's concession, and the fact that the four-day-old ceasefire appeared to be holding in most of Croatia created some optimism before the return to Yugoslavia tomorrow of Mr Cyrus Vance, the UN special envoy, to discuss the deployment of peacekeeping forces with Croatia, Serbia and the federal army.

The UN has said it will deploy peacekeepers only if the truce holds and the two warring sides agree on where they should be posted. However, scattered violence did continue yesterday, with Tanjug reporting artillery battles in Lika and Nova Gradiska, in central Croatia.

A UN spokesman said yesterday Mr Vance would hold talks "regarding the shape, size and deployment of a possible peace-keeping operation".

Mr Vance and a party of UN advisers will spend a week in Yugoslavia before returning to New York to report to Mr Javier Pérez de Cuéllar, the UN Secretary General, who will in turn report to the Security Council.

Mr Pérez de Cuéllar said on Thursday he could shortly urge the UN to launch a peace-keeping operation of up to 10,000 troops.

Greece said yesterday it would be willing to participate in the force, while Belgian television quoted defence ministry officials as saying that the country could send 1,000 troops to Yugoslavia with the UN.

Germany's diplomatic campaign to win recognition for Croatia and Slovenia, meanwhile, will be stepped up with the arrival of Mr Milan Kucan, Slovenia's president, in Bonn on Tuesday, and Mr Tudjman, his Croatian counterpart, on Thursday for talks about the implications of recognising their independence.

Mr Kohl's talks with several community partners were "already far advanced", according to Mr Dieter Vogel, the Bonn government's official spokesman. However, signs of impatience emerged from the foreign ministry. A spokesman said he was worried about the impression that Germany and the EC had not done enough to help stop the war.

As a result of German efforts, he said "more or less all" EC members supported recognition, although the timing had not been agreed. Mr Kohl has been striving to have the process completed before Christmas and is expected to raise the issue with Mr François Mitterrand, the French president, when he flies to Paris on Tuesday night.

Face of hope: a small child clings to her father at Zagreb railway station yesterday. Her father, a Croatian soldier, was at the station to put his family on a train to Austria.

Upper house rejects Bundesbank restructuring

By Peter Norman in Frankfurt

THE future organisation of the German Bundesbank was thrown into confusion yesterday when the Bundesrat, the upper house of parliament in Bonn, unexpectedly rejected a government bill to reorganise the bank's federal structure by a majority of more than two thirds.

The news hit the bank's Frankfurt headquarters like a bombshell. Mr Helmut Schlesinger, the Bundesbank president, who was entertaining a small group of London-based journalists at the time, was visibly shaken. The Bundesrat decision was "unexpected," he said.

Although yesterday's events are unlikely to have any immediate consequences for Europe's most powerful central bank, they throw a question mark over its future effectiveness at a sensitive time.

In less than two weeks, European Community leaders meet in Maastricht to consider new treaties on economic, monetary and political union. The present drafts envisage the creation of, first, a European Monetary Institute and, later, a European Central Bank, which in the German view must be as effective in combatting inflation as the Bundesbank has been.

It is now feared that an inner German wrangle over the Bundesbank's constitution could damage its prestige and effectiveness in the run up to European Monetary Union.

The bill rejected by the Bundesrat envisaged the creation of nine state central banks, each with a governor who would serve on the Bundesbank's central council, for the 16 Länder of united Germany instead of having one for each state.

Mr Schlesinger said the Bundesbank had expected the bill to be defeated yesterday, but by a simple majority which could have been overturned by the government supporters in the Bundestag, the lower house of parliament.

Yesterday's two-thirds majority – which followed an unexpected decision by Berlin to vote against the measure – cannot be reversed in this way. Instead the arbitration committee of both houses of parliament will deliberate on the issue and the future of the Bundesbank will be the subject of political compromise.

Even before yesterday's Bundesrat decision, the Bundesbank was facing a number of difficult policy issues at home and abroad.

On interest rates, where the bank has to weigh domestic inflationary pressures against the international hostility to higher German rates, Mr Schlesinger said that the Bundesbank could not contemplate a lowering of short term German rates.

Interest rates would stay relatively high as long as German monetary policy had to carry the burden of combatting inflation, he said.

He expressed approval of the recent rise of the D-mark, describing the market's judgment as "rather good."

However, he poured cold water on speculation of a realignment of parities in the exchange rate mechanism of the European Monetary System. Such a development would have to be approved by all ERM member states and agreement on that would not be forthcoming, he said.

Mr Schlesinger underlined that the Bundesbank's target next year must be to reduce the German rate of inflation from present levels of around 4 per cent.

● The upper house threw out Chancellor Helmut Kohl's ambitious tax reform plan, casting doubt over a cut in corporate taxes in 1993.

The Chancellor wanted to raise consumer taxes and lower corporate taxes simultaneously, a plan bitterly opposed by the Social Democrats (SPD).

IMF chief urges end to trade curbs

By Leslie Crawford in Santiago

MR Michel Camdessus, International Monetary Fund managing director, hailed Latin America's conversion to free markets during a two-day visit to Chile and urged the industrialised world to drop its protectionist barriers against the region's exports.

"Unless trade is opened up, it will be impossible for developing countries to modernise their export sectors," he said in a speech to the Santiago-based United Nations Economic Commission for Latin America. He insisted that access to world markets was the fundamental route for Latin America to grow out of its debt problems

He warned world leaders that they could not risk failure in the current Uruguay round of trade talks at the General Agreement on Tariffs and Trade.

He also urged Latin American governments to reduce military spending to free more resources to combat poverty.

EC, US seek way out of farm subsidies deadlock

By William Dullforce in Geneva

THE EUROPEAN Community and the US will resume talks aimed at resolving their differences over farm subsidies in Brussels on Tuesday, EC officials said yesterday.

The decision was reached after President George Bush and Mr Ruud Lubbers, Dutch prime minister and current EC president, had agreed by telephone on Tuesday to make a renewed effort to break the EC-US impasse over farm reform which has put five years of international trade talks in jeopardy.

The two presidents were due to talk again by transatlantic telephone last night.

In Geneva Mr Arthur Dunkel, director general of the General Agreement on Tariffs and Trade, told heads of delegations that he intended to put the Uruguay Round talks "back on track" next Thursday.

A basis for final negotiation existed in each and every subject, Mr Dunkel said. Delegates could now explain clearly to their governments the political issues on which decisions needed to be taken immediately in order to achieve substantial results across the board before December 20.

The next three weeks would determine whether the round would end with substantial trade-liberalising agreements or with the "unthinkable possibility" of a missed opportunity, Mr Dunkel warned, adding in an obvious reference to the EC-US deadlock over agriculture that "the next hours and days will be crucial".

EC officials said farm negotiators would not be present at the initial attempt to break the deadlock on Tuesday. Mr Jules Katz, deputy US trade representative, would be accompanied by Mr Robert Zoellick, under-secretary for economic affairs at the State Department, who would be in Brussels for a Nato meeting.

Mr Pascal Lamy, chief aide to EC Commission President Jacques Delors, would be alongside Mr Hugo Paemen, the EC's chief negotiator in the trade talks. Mr Zoellick and Mr Lamy were the US and EC "sherpas" at the London summit.

US farm negotiators have said they would be ready to resume talks in Geneva on Thursday, according to EC officials. The Uruguay Round reached crisis point last week when Mr Guy Legras, EC director general for agriculture, and Mr Richard Crowder, US farm under-secretary, failed to resolve differences and went home after meeting for only one day.

A solution depends primarily on the EC agreeing to deeper cuts in its export subsidies than it has been willing to do so far, US officials said yesterday. Differences remained over cuts in domestic supports to farmers and in border protection but these could probably be bridged, if the EC offered more on export subsidies.

Catholic synod looks at role in Europe

By Robert Graham in Rome

AN historic synod began this week in Rome aimed at establishing guidelines for the role of the Catholic Church in post-Communist eastern Europe. The gathering, attended by senior church figures from both east and west Europe, was inaugurated on Thursday by Pope John Paul II at a special mass. It is due to continue until December 14.

The Polish Pope has broken with the Vatican's normally slow organisational procedures to capitalise on the fast changing circumstances in eastern Europe. His aim is to to ensure the church's prominence in propagating Christian values in societies grappling with new economic systems and infant democracies.

Pope John Paul II, addressing the delegates, called for a spirit of unity among different Christian groups in eastern Europe. He warned against a sense of triumphalism at the end of communism and urged his audience to rise to the challenges by launching a "new spirit of evangelisation".

The new Europe envisaged by the Pope stretched "from the Atlantic to the Urals and form the Mediterranean to the North Pole".

Seen by some as the Catholic version of Maastricht – providing moral and spiritual unity for the new Europe – the idea of the synod was initiated in April 1990 by the Pope on a visit to Czechoslovakia.

This is the first time, the Vatican has acted on its own on such a broad front.

The synod is being attended by over 200 bishops and senior religious figures of whom 137 will have the right to vote; and of these 70 have come from western Europe, 50 from eastern Europe and 17 from elsewhere. Significantly the patriarch of the Russian orthodox church turned down an invitation, as did delegations from Bucharest and Sofia.

These refusals were reportedly in protest at the attempts by the Catholic Church to take advantage of the new freedom of movement to proselytise – in particular by naming bishops for dioceses in the former Soviet Union where none previously existed.

Apart from the question of re-establishing a presence in eastern Europe, the Catholic Church faces a number of key problems. The Pope is anxious the church should occupy the moral and ethical void left by the collapse of communism; but the Vatican also has to determine the extent to which such a policy involves the church directly in politics.

For instance, the Vatican did not conceal its support for President Lech Walesa in Poland but the recent Polish elections showed a serious fragmentation of the Catholic vote. Equally, in Yugoslavia, the church has found itself backing Catholic Croatia and Slovenia at the expense of Serbia.

Hungary appoints central bank governor

By Nicholas Denton in Budapest and **Anthony Robinson** in London

THE Hungarian government yesterday chose Mr Peter Akos Bod, minister of industry, to take over as central bank governor after the sacking of Mr Gyorgy Suranyi on Thursday.

Timing of the reshuffle was dictated by a central banking law which comes into effect on December 1 and greatly enhances the independence of the National Bank of Hungary. The new law would have made it almost impossible to sack Mr Suranyi, an independent-minded, non-party technocrat.

Mr Suranyi's dismissal has fuelled fears of renewed politicisation in a country which is still recovering from more than four decades of communist rule. Mr Suranyi, whose tight money policy reassured holders of Hungary's $20bn foreign debt and helped attract over $1.5bn of foreign investment, was not associated with the conservative ruling coalition.

He has been under political pressure particularly after recently signing a Democratic Charter drawn up by a wide range of opposition forces which implied that democracy had not yet been fully established in Hungary. This angered Mr Jozsef Antall, the prime minister, whose office announced Mr Suranyi's removal.

Mr Bod has criticised the social and industrial impact of the government's tight monetary policy and called for a more interventionist industrial policy.

Reports of Mr Suranyi's dismissal were greeted with dismay by western bankers. But an aide to the prime minister denied that it would mean a relaxation of monetary policy.

Budapest is locked into a tight monetary policy by the agreement concluded this week with the International Monetary Fund. The government has undertaken to keep next year's broad money supply growth at 20 to 26 per cent.

Mr Suranyi's problems are part of a wider pattern of difficulties faced by central bank governors in central Europe and the Soviet Union as reform of their banking systems coincide with struggles for political and economic power.

Poland's National Bank is currently without a governor after the arrest, and later release on bail, of Mr Grzegorz Wojtowicz, who has been charged with neglecting his supervisory duties.

In Moscow the fate of Mr Viktor Gerashchenko, governor of Gosbank, the Soviet central bank, is again in the balance.

Republic leaders to aim for pact on Soviet debt

LEADERS of Soviet republics meet on Monday to try to finalise agreement on sharing reponsibility for repayment of foreign debt totalling $84bn, write Leyla Boulton in Moscow and Chrystia Freeland in Kiev.

They will discuss a document which sets exact percentages of the debt to be serviced by each republic as well as each one's share of real estate, gold and other Soviet assets.

Agreement on responsibility for the debt is crucial for implementing a debt relief pact with the Group of Seven western industrial nations, under which repayments of principal on medium and long-term debt will be deferred until the end of next year.

But Mr Ivan Silayev, chairman of the inter-republican economic committee, said he expected conflicts with the four republics that had so far shunned a memorandum assuming shared responsibility for the foreign debt.

Protests over steel aid ruling

By Christopher Parkes in Bonn

THE LEGALITY of the FFr2.5bn (£250m) in "state aid" for French steel maker Usinor/Sacilor must be tested in the European Court of Justice, Mr Ruprecht Vondran, president of the German Steel Federation, said yesterday.

The British and Belgian industries are also believed to be preparing formal protests following the European Commission's approval earlier this week of the cash injection from the state-owned Crédit Lyonnais bank. The competition department decided the transfer was not a disguised state subsidy and so legal.

Appealing for action from the Bonn government, Mr Vondran warned that a rising tide of national subsidies in the European Community threatened the German industry, which had to survive unaided.

Until now, he said, steel subsidies had been allowed to help with restructuring. They were essentially defensive.

"But from now on, after this EC decision, it will also be possible to use state assistance to move into new product areas, new markets and to gain market leadership – in short, to pursue offensive aims," he added.

He demanded that Mr Jürgen Möllemann, economics minister, should deploy all his resources to level the playing field. An appeal to the European Court in Luxembourg was essential.

German steel makers, beset by structural problems, low prices and fading demand, have grown increasingly agitated over state intervention elsewhere in the EC.

E Berliners take to streets over university sacking

By Leslie Colitt in Berlin

THE citizens of what was east Berlin are on the streets again. But this time their cause is light years from the euphoria that accompanied the tearing down of the Berlin Wall.

It centres on the dismissal by the Berlin authorities of Mr Heinrich Fink as head of Humboldt University. He stands accused of being an informer for the Stasi, the notorious east German secret police.

The difference is that Mr Fink is fighting back. He has denied he was an informer, explaining that as former head of the university's theological faculty he was forced to meet Stasi officers as a matter of routine. He said he would seek his reinstatement in court.

By standing up for the rights of east Germans, Mr Fink has become a hero to many who have lost their jobs and self-respect. More than 2,000 students at Humboldt University protested outside the city parliament on Thursday.

Changing colour of Ukrainian communism put to the test

Chrystia Freeland on a bitter presidency battle in dual elections that will probably see a majority vote for independence

A LOOMING red star at the October coalmine on the outskirts of the Ukraine's south-eastern city of Donetsk invokes an earlier era: a time when the Donbass region's mining and industry made it Stalin's flagship for economic growth.

But, today, as the miners light up their cigarettes ahead of the 6 a.m. shift, their conversation reflects the area's political sea-change.

"I will vote for Kravchuk, he is the more skilled politician", says Mykola Dulka, a 45-year-old who has worked at the mine for seven years.

Thirty-five-year-old Sasha disagrees adamantly: "I have not decided who I will vote for, but it will not be Kravchuk. First he was a Communist, now he has become a democrat, but really nothing has changed."

Mr Leonid Kravchuk, a former Communist who currently chairs the Ukrainian Parliament, is the leading presidential candidate in tomorrow's dual elections – that will not only choose a new leader for the republic but decide whether the Ukraine will declare its independence from the Soviet Union.

Most of the miners say they will vote for independence, as will, according to the latest opinion polls, more than 80 per cent of the voters.

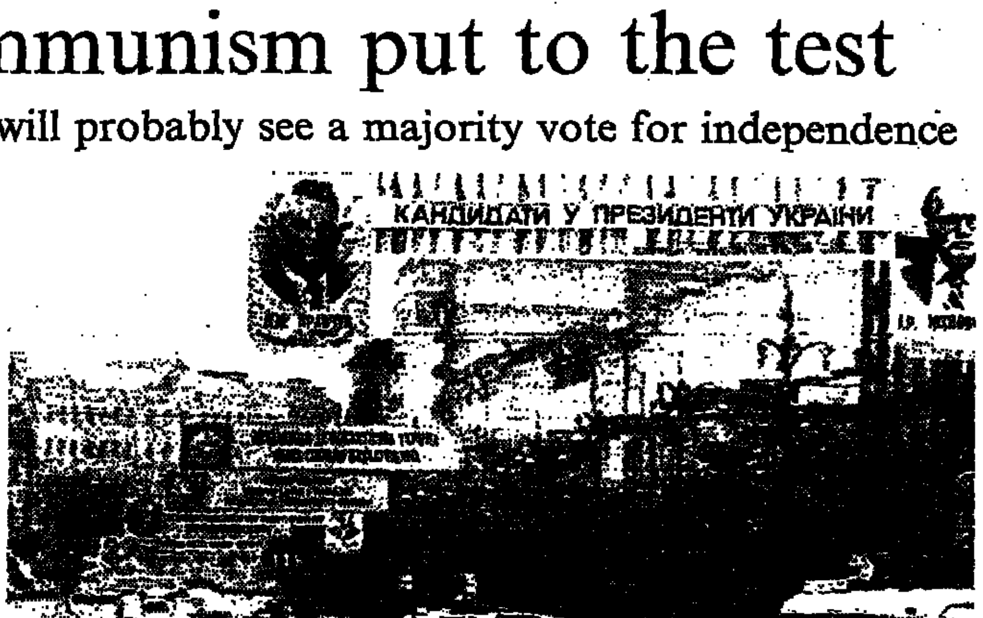
The presidential contest is far less clear and has become a bitter battle between Mr Kravchuk and dissenting dark horse candidate in the person of Mr Vyacheslav Chornovil.

The bitterness emerged this week when Mr Chornovil stormed out of a live television broadcast, accusing the news media of unfair basis. His campaign manager, Mr Les Paniuk, claims that 62 per cent of air time has been devoted to Mr Kravchuk and another former Communist candidate (who has now withdrawn), while Mr Chornovil and four other Democratic Bloc candidates have received only 38 per cent. Mr Paniuk alleged that the Communists had "changed their colours, but they still want to warp our view of the world.

"The real question is what sort of independent Ukraine we will live in, that of the party bosses or that of the people. If it is the party bosses, then our young democracy will have an immediate funeral. It will not survive."

Mr Kravchuk hit back with the charge that, by challenging the legitimacy of the presidential campaign, Mr Chornovil is jeopardising the result of the independence referendum.

The most recent opinion poll, conducted by the Ukrainian Institute of Sociology, gives Mr Kravchuk 47.5 per cent of the vote, more than twice Mr Chornovil's rating of 21.6 per cent. However, according to Ukrainian election law, a candidate can win in the first round only if he draws more than 50 per cent of the vote. If none of the contenders succeeds, a second poll will be held between the top two candidates on December 14. This would favour Mr Chornovil, who would expect to win the support of the other Democratic Bloc candidates.



Campaign posters dominate central Kiev before tomorrow's election and referendum

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S Africa's constitution talks will go ahead

By Patti Waldmeir in Johannesburg

TWENTY South African political groupings held historic talks in Johannesburg yesterday to lay the groundwork for negotiations next month on a post-apartheid constitution for the country.

It was the first such meeting ever, and the participants agreed, after months of delay, that substantive constitutional talks would go ahead on December 20 and 21. Delegates said the atmosphere during yesterday's session was genial, despite the deep political divisions between the participants.

Parties to the talks included bitter political enemies, some of whom had never met formally. The ruling National Party, for example, was seated next to the ultra-left Pan Africanist Congress (PAC), which had never before agreed to negotiate with the Nationalists.

The most important participants were the South African government and the National Party (which sent separate delegations), the African National Congress (ANC) and the mainly Zulu Inkatha Freedom Party.

They were joined by the PAC, the liberal Democratic Party, the South African Communist Party, various other political parties and governments from the so-called black homelands, and representatives of the Indian and coloured communities.

The all-day meeting agreed to convene a "Convention for a Democratic South Africa" on December 20-21, at the World Trade Centre in Johannesburg. Disagreements over the venue, which had threatened to delay progress, were resolved when the PAC's demand that talks be held outside South Africa was overruled.

Next month's meeting will have to tackle tough issues such as principles for a post-apartheid constitution and how a new constitution should be agreed.

For example, the ANC and other parties are demanding an elected constituent assembly, something which is opposed by the National Party.

Former minister jailed in Japan

By Stefan Wagstyl in Tokyo

A FORMER Japanese cabinet minister and current member of the Diet was yesterday sentenced to jail for tax evasion.

The judge said he wanted to make an example of Mr Toshiyuki Inamura, a former director general of the environment agency, in sentencing him to three years and four months in prison with hard labour and with no right to remission.

The sentence was immediately interpreted as a warning to politicians to stop thinking they are above the law in their financial dealings and fund-raising activities.

The judge rejected an appeal for leniency made on the grounds that Mr. Inamura needed lots of money because he was a politician. "No exception shall be made for politicians," said Mr Shigeru Matsuura, the judge. "Businessmen also need money to expand their businesses."

Mr Inamura is the first serving member of the Diet to be sentenced to jail. In 1983 Mr Kakuei Tanaka, the former prime minister, was given a suspended jail sentence which he is appealing against for his role in the Lockheed bribery scandal. The appeal still has to complete its passage through the courts.

Tax evaders usually receive suspended sentences in Japan and politicians are normally allowed to avoid prosecution by paying penalty taxes. Mr Inamura has been treated differently because his abuses were judged to be particularly blatant. He admitted evading Y1.7bn (£7.4m) in taxes on Y2.8bn in income from stock dealings, some of them carried out from his ministerial office. He had close links with speculators, including Mr Mitsuhiro Kotani, who was later charged with share-rigging and other infringements of commercial and financial.

Mr Matsuura, the judge, said Mr Inamura betrayed the people by evading his duty to pay taxes. Public trust in politicians had been seriously damaged by the case.

The ruling sets a tough precedent for politicians and others who still face court proceedings over their involvement in the Recruit bribery affair.

Among them is Mr Takao Fujinami, a former chief cabinet secretary, who was a close aide to Mr Yasuhiro Nakasone, the former prime minister.

However, the long-term impact of yesterday's sentence may be not be so great.

In the wake of the Recruit scandal, the ruling Liberal Democratic Party launched into discussion of political reform, but bills have yet to see the light of day, and public interest has declined.

According to figures published yesterday, politicians last year reported raisingd a record Y337bn (£1.46bn) in campaign funds, a 3.8 per cent increase over 1989, which was also a record year.

Toshiyuki Inamura enters a Tokyo court to receive a three years and four months jail sentence yesterday

● The fate of a controversial bill to allow Japanese troops to serve on United Nations peace-keeping missions hung in the balance last night.

LDP leaders, who angered opposition parties by forcing the bill through a key committee earlier this week, remained undecided on how to proceed. While the party has a majority in the lower house it relies on the support of the centrist Komei party in the upper house.

Some rank-and-file LDP and Komei members are concerned both about the bill and the way it was railroaded through the committee.

Indicators confirm economic slowdown

By Emiko Terazono in Tokyo

ECONOMIC indicators announced yesterday confirmed Japan's economic slowdown. Conditions in the labour market eased marginally on a fall in job offers in the manufacturing sector, while demand for housing continued to decline.

The ratio of job offers to job seekers for October marked the lowest figure since January last year. The ratio, announced by the labour ministry, fell 0.01 points month-on-month to 1.33 jobs per applicant. The ratio has been on a downward trend since the peak of 1.47 in March, but labour ministry officials said that conditions in the labour market remained tight.

Job offers fell by 1.1 per cent from the previous month, while the number of applicants fell 0.1 per cent.

The construction ministry said housing starts in October dropped 25.5 per cent from a year ago, its 12th consecutive monthly decline. The figure fell by more than 20 per cent for five straight months. Houses for rent fell 31.1 per cent to 50,684 units while owner-occupied houses declined 7.1 per cent to 37,974 units.

First official probe on dumping begins

By Steven Butler in Tokyo

JAPAN, frequently accused of unfair trade practices, yesterday launched its first ever official anti-dumping probe.

The Ministry of International Trade and Industry (Miti) and the Finance Ministry said they had begun a formal inquiry into imports of ferro-silico-manganese from China, Norway and South Africa. The material is used in the steel industry as a deoxidant and desulphurising agent and increases the toughness and flexibility of steel.

The timing of Japan's first anti-dumping case is laden with irony. In past years when Miti's main role was to foster and protect Japanese industry it did not have to resort to anti-dumping measures to discourage imports. It is now doing so after it has become one of Japan's main proponents of increasing imports.

Miti said the probe followed a complaint by Japan's Ferro-alloy Association, whose members include Nippon Denko and Kobe Steel.

Association members claim injury as a result of alleged cut-price sales of the material in Japan.

Kenya's political reform process speeds up

By Michael Holman in Nairobi

KENYA'S political reform process gathered momentum yesterday as an influential former government minister called for a multi-party democracy. Mr Geoffrey Kariuki, dismissed by President Daniel arap Moi in 1983, urged the authorities to accept "diversity of political opinions."

His call came at the end of a week in which government actions have stimulated more open political discussion than at any time since Mr Moi took office in 1978.

The government has effectively given its approval to constitutional debate by withdrawing charges against opposition leaders arrested last weekend for defying a ban on a pro-democracy rally scheduled to take place in Nairobi. A further significant move was the arrest on Tuesday of Mr Nicholas Biwott, the ex-minister allegedly involved in the murder of Mr Robert Ouko, former foreign minister.

Government critics have also been encouraged by this week's decision by western donors to withhold new aid until government tackles corruption, implements economic reform pledges, and moves towards a multi-party system. A growing number of prominent Kenyans – many of whom were once ardent supporters of the one-party state – are now going public with calls for change.

The changing mood in the party has been highlighted by Mr Peter Aringo, chairman of Kenya's ruling Kanu party and former hard-line proponent of the one-party system, who hinted recently that he might support reform.

The developments come amid growing speculation that Mr Moi may try to wrong-foot Kenya's fledgling opposition by calling an early general election. The president may reveal his plans at a special session on Monday of Kanu's governing council.

NEWS IN BRIEF

Indian strike hits public sector and transport

A ONE-DAY nationwide industrial strike called by six left-wing trade unions yesterday brought work to a halt in many public sector units throughout India and affected services such as airlines, railways and banking, writes K.K. Sharma in New Delhi.

Although the government claimed the response to the strike call was partial, the industrial action suggests closure of unviable public sector units will meet stiff union opposition.

A spokesmen of the unions yesterday described government policies as "anti-labour" and "a sell-out to the International Monetary Fund." India has obtained over $5bn (£2.83bn) in loans from the IMF this year.

Kleinwort Benson to advise on Czechoslovak toll motorway

Kleinwort Benson, the British merchant bank, has been appointed to advise the Czechoslovak government on raising private finance to build a network of toll motorways, writes Andrew Taylor, Construction Correspondent.

As a first step it has been asked to prepare plans for the financing of the Czechoslovak section of a motorway linking Prague, the capital, with Nuremberg in Germany.

The road now connecting Prague with Rozvadov on the Czechoslovak border is to be upgraded to motorway standard. It is proposed that about half of the 160km road will be a privately-financed toll road. The cost of upgrading the entire road is estimated at between £200m and £300m.

France assembles Togo force

France is assembling a force to protect Europeans in Togo, where soldiers have toppled the reformist prime minister, French officials said yesterday, Reuter reports from Paris.

They said the troops were gathering in Cotonou, capital of neighbouring Benin.

The officials said the force would be adequate to protect the 3,000 French citizens and other Europeans in Togo.

In Togo, President Gnassingbe Eyadema has been trying to coax his troops, accused of killing at least 20 people in a bid to restore him to power, back into their barracks.

Mr Eyadema, stripped of all but his ceremonial powers by Prime Minister Joseph Koffigoh's government in August, returned from his northern village to Lomé on Thursday after troops and tanks surrounded the prime minister's oceanside palace.

Haiti government calls poll

Haiti's military-backed government has reduced the possibility of a return to office by Mr Jean-Bertrand Aristide, the president who was overthrown two months ago, by calling presidential elections for early January, writes Canute James.

The authorities have been emboldened by the arrival of a shipment of petroleum products, relieving a chronic shortage caused by an economic embargo on the Caribbean state.

The calling of the elections for January 5 came three days before a mission from the Organisation of American States is scheduled to visit Haiti to continue discussions on the restoration of the constitution and the return of Mr Aristide.

Safety pledged for Khmer Rouge

The Phnom Penh government has guaranteed the safety of Khmer Rouge guerrilla leaders if they return to the capital after being driven out by a mob attack, Prince Norodom Sihanouk said yesterday, Reuter reports from Phnom Penh.

"Hun Sen's government has given me this morning the guarantee it will be able to give Khieu Samphan and Son Sen and other members of (the Khmer Rouge delegation) full protection and also a solid guarantee of their safety and security." Prince Sihanouk said.

Ministers decided not to halt Sunday trading

By Ralph Atkins, Guy de Jonquières and John Thornhill

MINISTERS knew leading supermarkets were likely to flout Sunday trading laws in the run-up to Christmas but decided not to take any preventative steps, Mrs Angela Rumbold, the home office minister, has said.

The Home Office was told by Tesco that it would feel obliged to open if competitors were trading on Sunday, Mrs Rumbold told the Financial Times. The supermarket group this week was the first big retailer to say it would open on seven days a week in the run-up to Christmas.

Mrs Rumbold said the government had decided not to be swayed by an "attempt to wield the big stick at government" and that there was little ministers could do anyway.

Mrs Rumbold also rebuffed allegations that she had failed to answer two letters sent by Tesco, warning that it would be forced to defy the law if it was not applied consistently.

She explained that the first had been acknowledged while the second had come before a meeting on November 11 with Sir Ian MacLaurin, chairman of Tesco, making a reply unnecessary.

Retailers had not been snubbed or ignored, she said. "They have known all along that if they want to see me they can always be accommodated," she said. "They will never be refused."

Mrs Rumbold said it was not made explicit that stores would open from this Sunday but "people said to me in discussion that it would be hard if one retailer opened for them not to be persuaded that they ought to open themselves".

She added: "They were, at the same time and in the same breath, saying that they didn't want to break the law."

Meanwhile, Usdaw, the shopworkers' union, yesterday again discouraged its members from working illegally on Sundays.

Mr Bill Connor, deputy general secretary of Usdaw, said it was "disgraceful that the attorney general had not taken out injunctions to prevent the big stores from opening on Sundays".

Asda, Safeway and Tesco, the three supermarket chains planning to open stores in England and Wales this Sunday, said yesterday that they had had no difficulty in finding enough employees willing to staff their outlets.

"We will have 100 per cent of the people we need," Asda said. Tesco said Sunday would be "a normal trading day", while Safeway said it was confident of operating the number of check-outs "commensurate with the level of trade".

Laura Ashley, the fashions and fabrics group, yesterday became the latest retailer to announce that it would be opening stores seven days a week until Christmas.

Woman in the news, Page 6; Letters, Page 7

THE BLUE ARROW TRIAL

Prosecution starts closing speech

By John Mason

THE SECRET buying of shares in the 1987 rights issue by County NatWest and Phillips & Drew was a course of deceit that struck at the very purpose of London as a trading centre, the trial was told yesterday.

Mr Nicholas Purnell QC, starting his closing speech for the prosecution, told the jury that the advisers to the £837m issue had corrupted and distorted market practices to fix the Blue Arrow share price after the issue had failed.

The effects of that would have been felt throughout the market.

County NatWest, NatWest Investment Bank, UBS Phillips & Drew Securities and five professional advisers all deny that the buying of shares in the issue amounted to a conspiracy to mislead the markets.

When the advisers took up rights late in order to raise the take-up level from 38 per cent to 49 per cent, it was a practice none of them had heard of, he said. No witnesses had spoken of an established market practice for such late take-up.

The advisers had announced the 49 per cent figure knowing institutions would assume that neither County nor P&D had significant holdings. Mr Purnell said it was essential that market transactions should be based upon information being equally available to each party.

"What affects the price of apples and cauliflowers is the availability of apples and cauliflowers," he told the jury. The false information given to the markets by the advisers, that all their apples had found ready purchasers, was the fundamental instrument by which the fraud was carried out.

County's giving of indemnities to stakes held by its marketmakers and Union Bank of Switzerland – P&D's parent company – was unprecedented in its generosity and difficult to explain in terms of commerciality, he said.

Mr Purnell challenged evidence given by the defendants that the institutions had not realised that Big Bang meant merchant banks could give greater support to the clients. Their strategy relied upon the markets not realising that might be the case.

The advisers' decisions were clearly dishonest, he said. "These were aggressive, ambitious and arrogant banker-brokers out to assert their position in the post-Big Bang world. They were anxious that they should decide, and no one else, the price at which Blue Arrow shares should trade.

"They decided they were the masters of this particular universe and that they would ride roughshod through all the assumptions on which fair trade should be based."

The trial continues on Monday.

Tories' conflict on Europe unabated

By Ivo Dawnay and Robert Mauthner

CONTROVERSY over Europe continued unabated in the Tory party yesterday as senior Cabinet ministers used speeches to constituencies rally the party behind Mr John Major's leadership.

But even as the prime minister was promising that Britain would not be pressured at next month's Maastricht summit, Mr Norman Tebbit, the former party chairman, was preparing a fresh onslaught on the European Community.

In a speech to a bankers' conference in Jersey, he said the German government had pressured the Bundesbank to hold down interest rates to persuade France and the UK to sign summit agreements on monetary and political union.

"The Bundesbank is now acting as a tactical ally of Chancellor Kohl during the approach to Maastricht," he said. The consequences would be a Euro-currency prone to political pressure and inflation, he said.

In contrast Mr Major, speaking in Newbury, and foreign secretary Mr Douglas Hurd, in Darlington, tried to reassure Tories.

Mr Major said: "We don't want a deal that is not in the interests of British industry, commerce, and the British people, and I don't believe Europe would force such a deal on us."

Mr Hurd said: "The success of the EC is central to Britain's own success and prosperity." He also repeated assurances that the government was determined to resist efforts by some EC states to introduce qualified majority voting on social issues such as employment law.

Earlier in the day, the federalist European Movement launched a campaign urging the British government to back efforts to transform the EC into a closely knit European union.

More than 1,000 people, including 27 MPs, have signed a petition in favour of a single European currency, a central bank and a common European foreign and security policy under EC control.

Lydia van der Meer

Tarnished reputation: Goldsmiths' students airing grievances on the streets yesterday

Goldsmiths' joins protest surge

By Andrew Adonis

GOLDSMITHS' College in south-east London is the latest victim in a surge of student protests about overcrowding and rising charges.

More than 300 students slept in the college's administration building last night – for the second night running – and twice that number have been demonstrating by day.

The students are protesting at everything from government policy on grants and loans to cuts at the college and alleged plans to sell three halls of residence.

"BOOKS? Where are they? Can you find the one YOU want? Join the occupation", enjoins a leaflet put out by the student union.

Rents at the college are now £50 a week (£37 self-catering), and the union wants "written assurances" they will not be raised without consultation.

It is not quite Paris 1968, but Goldsmith's is the latest in an upsurge of student occupations. Lancaster University, Royal Holloway College, Middlesex, Thames, Glasgow and Paisley polytechnics have seen similar protests. In the next few days, at least 15 other student unions vote on action.

A report published earlier this week by the Higher Education Information Trust claimed that more than half of all students are now in debt by the end of their first year, a majority owing more than £250.

DTI clears BA sale of Cardiff plant

THE GOVERNMENT has cleared the controversial £272m sale of British Airways' engine overhaul plant at Treforest, near Cardiff, to General Electric of the US, Paul Betts writes.

The Department of Trade and Industry said yesterday it had decided not to refer the sale to the Monopolies and Mergers Commission after an investigation by the Office of Fair Trading. BA is now expected to complete the sale next month.

The announcement of the deal provoked a row because it coincided with BA's decision to buy GE90 engines for its new fleet of Boeing 777 aircraft. That was a significant blow for Rolls-Royce, BA's traditional engine supplier, which had hoped to supply its new Trent engine.

Rolls-Royce had also competed to buy the Treforest plant but bid £8m less than GE.

Liquidation agreed for Air Europe

CREDITORS of Air Europe, which went into administration in March after the collapse of International Leisure Group, its parent, have agreed to liquidate the company.

Air Europe and its three smaller partner companies will be consolidated into a single unit for the liquidation. Mr Phil Wallace of accountants Peat Marwick, Air Europe's administrator, said this was the first time such a consolidation had been carried out for a liquidation.

Air Europe's fleet of 35 aircraft cost more than $1bn to buy but the softness of the second-hand aircraft market means that they will be difficult to sell.

Hatton faces four more charges

MR DEREK HATTON, former deputy leader of Liverpool City Council, yesterday faced four new charges of conspiring to defraud the council. He is now accused on eight counts of conspiracy.

Two businessmen were charged for the first time. They were Mr Michael Hanlon of Crosby, Merseyside and Mr James Mutch, of Aughton, Lancashire, who each face three conspiracy charges.

That brings to to seven the number of people facing conspiracy charges over alleged corruption in Liverpool City Council land deals.

Esso cuts petrol prices by 4.5p

ESSO yesterday followed the lead of British Petroleum and cut petrol prices by 4.5p a gallon, taking a gallon of leaded petrol to £2.26 and of unleaded to £2.11.

Shell UK said it would also cut prices by 4.5p a gallon from Tuesday.

Thames crossing orders go ahead

THE Department of Transport has said that compulsory purchase orders are to be issued in preparation for work to start on the east London river crossing.

The action has been taken even though Mr Carlo Ripa di Meana, EC Environment Commissioner, called on the government to halt the scheme so that proper assessments could be made of the impact it will have on the environment.

Cultured calm of the currency custodians

Peter Marsh on a jittery week for Bank and Treasury officials who shore up sterling

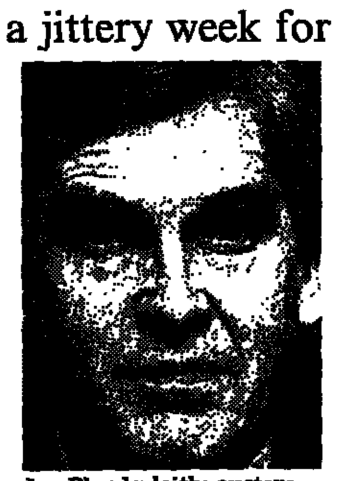
IN SPITE OF a stronger pound yesterday, it has been a jittery week for the currency custodians – the 25 or so officials at the Bank of England and the Treasury whose job it is to shore up sterling.

Not that they would describe their role in such lurid terms. As sterling has fallen recently against a rampant D-Mark, the two monetary institutions have displayed an outward appearance of dignified calm.

Helped by a stronger dollar, the pound yesterday recovered some of its losses, closing in London at DM2.87. That was roughly 3 pfennigs up against its lows earlier in the week, but still 8 pfennigs beneath the pound's DM2.95 central rate in the European exchange rate mechanism.

Earlier in the week, monetary officials bought the unit on the currency markets to prevent further falls. The interventions were modest, in tune with the official view that Britain is some way from a sterling crisis.

In the coming weeks, however, the pound may suffer from fresh gyrations, arising from worries about the UK economy and the possibility of a rise in German interest rates.



Ian Plenderleith: austere, shrewd market operator

The Bank's role is to devise detailed intervention tactics and to do the buying and selling, using Britain's $44bn (£24.9bn) of foreign exchange reserves. That leaves the Treasury, the reserves' formal owner, to provide general guidance and keep Mr Norman Lamont, the chancellor, in touch with developments.

If further intervention is required, most of the key decisions will be taken by Mr Ian Plenderleith, a chain-smoking workaholic who is the Bank's associate director in charge of market operations.

Mr Plenderleith is assisted by Mr Tony Coleby, executive director at the Bank with responsibility for monetary policy. While the austere Mr Plenderleith is a shrewd market operator who rarely betrays what he is thinking, Mr Coleby has a touch of intellectual flamboyance. He brings to the partnership a broad view of international economic trends.

A third key player is Mr Michael Scholar, the Treasury's deputy secretary responsible for monetary affairs, who works with a team of about 10 civil servants at Great George Street. They keep in touch with the Bank two miles away by a secure telephone link.

Reporting to Mr Plenderleith at the Bank are 10 foreign-exchange specialists. They include seven dealers who execute transactions with outside banks around the world, and pick up market gossip. Only part of those people's jobs concerns intervention to stabilise the pound; they also buy and sell foreign exchange in commercial contracts on behalf of Bank customers.

Recent intervention has taken the form of small, strategic purchases of sterling – thought to have cost a relatively meagre few hundred million dollars. "The Bank has done enough to show it cares," said one market practitioner.

Four clear elements lie behind the Bank's intervention operations. By sounding out other traders around the world, its dealers glean intelligence as to where the pressure on buying or selling the pound is coming from, and devise suitable countermeasures.

The second element concerns when to intervene. "Timing is very important," one market operator said. "If the Bank plunges in to buy sterling when the market is pushing the currency down, the action may be counter-productive because everyone gangs up and sells even more. By buying when the market is on the turn, the Bank can get a bigger bang for its bucks."

Third is the question of visibility. If the Bank wants its operations to become widely known, in a bid to calm an unsettled market, it will execute a transaction through several outside dealers, tipping them off to spread the word. It might, however, deliberately keep operations quiet, to forestall any drama about unduly overt Bank purchasing.

Finally, the Bank's dealers hold regular telephone conferences with traders from the other eight European central banks whose currencies are linked via the ERM. During those occasions, they can discuss joint strategies and ask for help. Action by the Bundesbank in buying pounds earlier this week almost certainly followed long discussion between London and Frankfurt.

One central objective governs the officials' work. They do not want Mr Lamont to conclude that the only way to support the pound is to raise interest rates from 10.5 per cent.

With Britain struggling to climb out of recession, such a move would be deeply unpopular and might cost the government next year's election. It would also be a sign that the strategies of Mr Plenderleith and his colleagues – and all the hard work over the past week – had come to nothing.

Fresh ITV company seeks contract papers

By Raymond Snoddy

MR RUDOLPH AGNEW, chairman of ITV company TVS Entertainment, said yesterday that he planned to ask the Independent Television Commission formally for the documents explaining why his company lost its franchise.

At the beginning of this month, at what Mr Agnew described as a "highly unsatisfactory and unreasonable" meeting, the ITC refused to give details of why it turned down TVS, even though it made the highest bid for the 10-year franchise for its area.

Mr Agnew's action follows Television South West's success on Thursday in getting access to the secret ITC assessment recommending that it should lose its franchise.

Lord Donaldson, master of the rolls, persuaded the ITC to hand over copies of the document. The action came during a High Court appeal against refusal to allow TSW to seek a judicial review of the franchise decision.

Mr Agnew hopes that the ITC will hand over the document voluntarily.

"It's an Alice in Wonderland world if they don't," he said.

If the ITC refuses, TVS is likely to take legal action to obtain the information needed to decide whether to seek a judicial review.

Because the TVS bid of £59.76m was judged to be unsustainable, the franchise went to Meridian Broadcasting, which bid £36.5m.

The ITC is unlikely to hand over information to other companies before it is clear whether TSW will get permission for judicial review.

Mr Phil Redmond's Mersey Television – part of the consortium that made up North West Television, which bid for the Granada franchise – decided yesterday to ask the ITC for the document relating to the failure of its bid to pass the quality threshold.

TVNI, which outbid Ulster Television but was failed on its business plan, said it would also seek ITC documents if TSW was given leave to seek judicial review.

The TSW hearing is expected to resume next week.

Rover nears deal on radical work reforms

By Michael Smith, Labour Correspondent

ROVER GROUP is close to agreeing with unions on radical changes in working practices and bargaining structures for its 35,000-strong UK workforce.

The car manufacturing subsidiary of British Aerospace and leaders of its manual workers agreed yesterday to put parts of the plan, proposed by the company in September, to plants for local discussions. Union leaders said last night that they believed a full agreement would be in place by the end of January.

"We already have a large measure of agreement," one said.

Among measures the manual unions have agreed to in principle is single-table bargaining through which both they and white-collar unions would negotiate together for their members.

That would simplify negotiating procedures as well as facilitate a move towards a single set of conditions for all workers.

Agreement in principle has also been reached on the setting up of machinery to allow disputes to be referred to binding arbitration, provided both sides agree to it.

When the company announced its proposals, it said it wanted to simplify grading structures, initially replacing the present five-grade structure for hourly paid workers with only two levels.

That is being discussed by a working party with a view to producing proposals in time for pay negotiations when the present two-year deal ends late next year.

Manual union leaders have agreed to the principle of changes in working practices, but the reforms will be the subject of plant discussions over the next month.

Rover's push for changes has been prompted in part by increased competition from Japanese car makers in the UK. It is achieving 22.5 worker hours a car at its plant in Longbridge, Birmingham, against its estimates of 16.8 by manufacturers in Japan.

Rover will meet white-collar union leaders next week.

MONTHLY AVERAGES OF STOCK INDICES

	November	October	September	August
Financial Times				
Government Securities	85.51	86.79	87.16	85.84
Fixed Interest	96.17	96.65	96.23	94.57
Ordinary	1920.4	1979.1	2053.9	2027.3
Gold Mines	158.1	166.8	159.9	173.4
SEAQ Bargains(4.45pm)	25,446	26,924	29,651	26,389
F.T.-Actuaries				
Industrial Group	1260.91	1288.80	1307.39	1279.77
500 Share	1353.28	1367.17	1404.24	1378.98
Financial Group	757.43	797.50	835.80	824.49
All-Share	1210.28	1245.25	1266.20	1244.33
FT-SE 100	2506.1	2580.9	2622.2	2600.5
FT-SE Eurotrack 100	1085.65	1098.13	1115.00	1108.77

	Highest Nov. close	Lowest Nov. close
Ordinary	1984.9 (12th)	1840.1 (29th)
All-Share	1242.07 (12th)	1168.95 (29th)
FT-SE 100	2575.5 (12th)	2420.2 (29th)
FT-SE Eurotrack 100	1109.78 (14th)	1060.67 (26th)

Liquidations up to September top 1990 total

By Michael Cassell, Business Correspondent

THE recession is continuing to force growing numbers of businesses into liquidation, according to government figures published yesterday.

In the three months to the end of September, another 5,717 businesses were declared insolvent, compared with just over 4,000 in the same period last year.

Figures from the Department of Trade and Industry published for the first time yesterday by the Association of British Chambers of Commerce show that, during the first nine months of 1991, 16,550 companies were liquidated. The total was just over 15,000 for the whole of 1990.

Although the rate of recorded insolvencies lags behind other economic indicators, the latest statistics provide no indication that the recession has been easing off as 1991 draws to a close.

Mr Ron Taylor, the director general of the ABCC, said he was disappointed that there were no signs of a levelling-out in the rate of businesses collapsing. He added: "The present rate of failure is like tearing every fiftieth page out of Yellow Pages".

Mr Gordon Brown, the shadow trade and industry secretary, said the latest figures made it imperative that the prime minister ended the "do-nothing inaction" that characterised government economic policy.

Ministers accept that the continuing high rate of business failures is politically damaging but claim that the rate of new business formations has consistently outstripped the numbers being liquidated.

The annual report of the government's insolvency service, published yesterday, confirmed that company insolvencies in 1990 rose by 44 per cent over the previous year to reach 15,051. In addition, there were 13,987 individual insolvencies, compared with 9,365 in 1989.

Last night, Mr John Redwood, the minister for corporate affairs, said he was sad to see the increasing number of business failures. He emphasised, though, that the creation and failure of businesses represented a continuous part of the economic cycle.

He added: "I hope that the banks are looking carefully at their customer requirements and finding money to bridge wherever there are reasonable future prospects for the business. I know what a personal tragedy bankruptcy and insolvency can be."

The colour goes out of the black cab business

Neil Buckley on troubles for taxi drivers following the collapse of one of London's biggest companies

GEORGE stubbed out his cigarette, opened the partition window in his London cab a little further, and warmed to his theme.

"You'd have to be crackers to refuse a ride these days. They used to say no black cab would go south of the river, but now they'll go anywhere, absolutely anywhere.

"People come up and say politely, 'Could you take me to . . .' and you want to grab them by the scruff of the neck and pull them in."

It is said that if you want to find out what's really happening in a city, ask a taxi driver. Certainly, the taxi trade is thought to be one of the best barometers of the state of the economy. The government has admitted as much by including taxi operators prominently in a list of 10,000 service-sector companies that from next year will complete regular questionnaires from the Central Statistical Office to help it monitor the economy.

If Mr Norman Lamont were to ask a taxi driver about the recession, the answers would probably be unprintable. The omens are not good. This week Beejays, which once had the biggest taxi fleet in London – and in Europe – went into receivership.

George, 63, has been a cabbie for 23 years since losing his job as a warehouseman.

"It's the worst year I've ever known. Take today, I've been working four hours so far and I've made £20. It's worse at night."

About 70 per cent of London's 16,000 licensed cabbies are owner-drivers, working to pay off the cost of their vehicles. A new cab costs about £24,000.

The rest rent from taxi garages, paying £100 to £200 a week, depending on the age of the vehicle. They must pay that and the cost of fuel before they start to make any profit. In the boom years of the 1980s, drivers could make £500 or more in a reasonable week, but now many are struggling to meet their outgoings.

Beejays is a prime example. The brown-hub-capped cabs of Beejays are still on the streets, with drivers now paying rental to Mr Roger Oldfield, of KPMG Peat Marwick, the receiver. Mr Oldfield hopes to sell the business as a going concern.

It is, however, a sign of the times that the 30-year-old Bethnal Green company should have collapsed into debt.

The downturn in their business, drivers say, started as early as August last year, some time before the onset of the recession was widely recognised. The period after new year 1991, traditionally known as the "kipper period", was flatter than ever before. The number of tourists fell sharply.

By then, the recession was reaching its peak. Mr Harry Fagen, president of the Licensed Taxi Drivers' Association, says record numbers of drivers have been leaving the business, or having their cars snatched back for failure to pay the rental.

London differs from other UK cities by having no licences for private hire cars, or mini-cabs. Some estimates put the number at more than 40,000, and, with mini-cab driving being one option for the unemployed, the number always increases during a recession. The result: more cars chasing less business.

A look at the cab trade outside London is revealing about the nature of this recession. Further north, the effects have been less serious.

In Birmingham, where 800 black cabs operate, the largest company, TOA Black Cabs, said that the number of jobs undertaken this year was 20 per cent lower than in 1990.

"I think we have bottomed out," says Mr Terry Hicks, of TOA. "The decline in the number of jobs in October compared with a year ago is less than in September."

In Manchester, where each local authority licenses a few hundred black cabs but up to three times as many private hire vehicles, the effect of the recession has been reflected more in increasing numbers of the latter – and of unlicensed or bogus operators. The black cabs' business has been little affected.

Taxis in Scotland have suffered from weaker trade - particularly during the summer season – but no one is talking of a crisis.

The situation is worst in London, it seems, because high mortgage rates have had the biggest effect on people's disposable incomes, and because the recession has been felt very badly in the City, previously the black cabs' biggest area of business.

The halcyon days of the London taxi may be over. George talks gloomily of people who once travelled everywhere by cab realising how much they can save by going by bus, and not coming back after the recession. Mr Harry Fagen also thinks times are changing.

"Drivers can't get away with the little dodges they once used to, when it comes to tax. I think the Inland Revenue has had people out driving taxis to find out precisely what we make! That's how things should be, of course. But one or two people are finding it hard to adjust."

Ashley Ashwood

Could you take me to . . . These days London cabbies can no longer afford to refuse a ride, even south of the river

Inland Revenue boosts evasion income to £3.9bn

By Andrew Jack

THE INLAND Revenue clawed back £3.9bn from evaders and others paying insufficient taxes in the last tax year, its annual report disclosed yesterday – a third up on evasion revenues the year before.

Total tax and duty collection levels rose to £82.5bn in the year to March 31 and National Insurance contributions to £33.4bn, but the ratio of collection costs to tax revenues increased for the first time for four years to 1.7 per cent.

Income from non-compliance work – which covers those who underpay taxes wilfully or through misinterpreting their liability – rose by 34 per cent, with the greatest contributions coming from investigations on tax returns carried out by local tax offices.

The Revenue said the increase was the result of greater staffing in its non-compliance sections and a policy of specialism and selectivity in the cases being examined.

Most people underpaying made monetary settlements. However, 236 were convicted for tax offences. More than half of those were involved in sub-contractor fraud.

The Revenue warned: "To continue to secure the public revenue, we are committed to maintain, and if possible increase, the level of our action against non-compliance."

The Revenue's net administrative costs were up 14 per cent to £1.4bn for the year, reflecting increases in most overheads, including an average 9 per cent rise in gross salaries. It raised £75m from other public bodies – principally from rating and valuation work for other government departments and local authorities – against £68m in the previous year.

The proportion of assessed taxes outstanding at October 31, the revenue's financial year, fell to 8 per cent – better than its target figure of 8.1 per cent. Some other areas of collection were slightly below targets. Debt collection was impeded by the downturn in the economy and increased competition from other organisations trying to collect debts.

The report detailed attempts to improve management performance and respond to the government's Citizen's Charter. The Revenue pledged to publish targets for the time taken to respond to letters. Tax forms are being redesigned and there are experiments with flexible opening hours.

133rd Report of the Commissioners of Her Majesty's Inland Revenue. HMSO. £13.70.

Economy case against government struck out

By Neil Buckley

MR MARK HARRIES, the Cardiff businessman who attempted to sue the government for mishandling the economy, had his case struck out by the High Court yesterday – but vowed to fight on.

In a private hearing, Mr Justice Judge accepted the Treasury's application for the case to be halted on the ground that it "disclosed no reasonable cause of action". Mr Harries, who claims to have the moral support of thousands of businessmen, said afterwards: "We are going to appeal to try and change the system because I do not think the government should continue to be able to make mistakes and get away with them."

Some businessmen who had written to him had seen their homes repossessed, Mr Harries said. "I just can't stand back and let it all go on."

Mr Harries sought to sue the government for £1m, the sum he says his companies would have made if mishandling of the country's "affairs, laws and assets" had not brought him to the brink of bankruptcy.

AEU and EETPU agree to delay strike

By Michael Smith, Labour Correspondent

TWO UNIONS at the Glasgow plant of Barr and Stroud, a military equipment manufacturer, yesterday agreed to delay a strike as the company allowed 16 workers selected for compulsory redundancy to remain, pending negotiations.

The AEU and EETPU engineering and electricians' unions had planned to strike from lunchtime yesterday if the management went ahead with the redundancies.

The unions will meet management for further talks on Thursday.

The 16 were among 24 selected for enforced redundancies. The remaining eight agreed yesterday to go voluntarily, which means they qualify for higher severance payments.

The plant is making a total of 250 people redundant from the 1,200-strong workforce. All except the 16 redundancies were by voluntary means.

The AEU and EETPU, which represent about 250 workers at the plant, oppose the principle of enforced redundancies and say union activists figure prominently among those selected by the company.

Barr and Stroud says selection for redundancy was made in accordance with guidelines suggested by Acas, the conciliation service.

Clashes between unions and managements over redundancies are becoming more frequent as the recession continues and the supply of workers wanting early retirement and voluntary severance dwindles.

At British Aerospace's Preston plants, unions are preparing to support a series of industrial-tribunal claims by members who claim they have been unfairly selected in redundancy programmes. The company has selected more than 500 people for compulsory redundancy. Some workers have been banning overtime in protest.

At the Coventry plant of GPT, the telecommunications group, some white-collar workers recently held a half-day strike over redundancy pay.

Indefinite strikes of the type proposed by the AEU and EETPU at Barr and Stroud have been extremely rare over the past year. Members of other unions at Barr and Stroud, including the TGWU general union, voted against striking, although they were in favour of action short of a strike.

Damages for meat group over raid

THE High Court yesterday ordered police and a government body to pay £25,000 damages to a meat company for a "deplorable abuse of power" when raiding its premises during a probe into an alleged EC fraud.

Lord Justice Woolf and Mr Justice Pill made the award to South West Meat against the chief constable of Avon and Somerset and the Intervention Board for Agricultural Produce.

The judges awarded £3,000 general damages for trespass and £22,000 exemplary damages to punish the police and board officials for their "oppressive, arbitrary and unconstitutional conduct".

A raid and seizure of company documents was carried out in July this year at the company's premises in Chard, Somerset, on suspicions that it was knowingly concerned in the theft of beef.

Both the board and the chief constable accept that a search warrant was technically defective and that the search was therefore unlawful.

Risk seen to London prosperity in ranking among world cities

By John Willman and Andrew Adonis

LONDON'S prosperity and status as a pre-eminent world city are at risk unless weaknesses in its transport, education and environment are tackled urgently, according to a report published yesterday by consultants Coopers & Lybrand Deloitte.

In response, the government said that improvements to London's management were under active consideration.

London remains one of the world's leading cities, the report says, but the challenge from cities such as Paris, Tokyo and Frankfurt is growing as London's infrastructure and quality of life deteriorate. Noise, inadequate cheap housing, erosion of green space and the absence of a "voice" for the capital are all highlighted.

The report, commissioned by a group of London-based organisations – including the London Docklands Development Corporation and the London Planning Advisory Committee, which represents all 32 London boroughs – was presented at a conference in the Guildhall yesterday.

Mr Bryan Gould, shadow environment spokesman, welcomed the report as support for Labour's plan to create an elected strategic authority for the capital. Without that, he said, London would "continue the slide down into the same vicious circle of decline that grips New York".

The call for a new tier of government was rejected by Sir George Young, minister for housing. He conceded, though, that the city's existing 32 boroughs were "unable or unwilling" to deal with many of the capital's shortcomings – particularly public transport, strategic planning and "what we have all become accustomed to calling a 'voice' for London".

London's competitive strengths lie in the diversity of its economic structure, particularly its markets for financial and business services, the report argues. The richness of its cultural life is held to be second only to New York's among cities surveyed.

Even so, it says, London is experiencing a growing mismatch in its local labour markets and increasing hardship for growing numbers of the disadvantaged. Paris and Frankfurt appear to have adjusted better to labour market pressures, the report finds, and better training and improved mobility are required to improve London's labour market.

The same is true of transport, it concludes, where London lags behind European cities such as Paris and Frankfurt in its present and planned improvements.

However, the report says London has the asset of ample parks and open spaces.

Labour pledges farm policy switch

By Ivo Dawnay, Political Correspondent

LABOUR pledged yesterday to tilt the balance of government farming policy away from the interests of farmers towards consumers.

Mr David Clark, Labour agriculture spokesman, told a European Labour party conference in London that EC food surpluses, environmental concerns and international trade commitments meant that radical reform of the sector was now essential.

A Labour government would replace the Ministry of Agriculture, Fisheries and Food (Maff) with a Department of Food and Farming, closely linked with EC institutions.

"Maff has been seen as the producers' ministry: the Ministry for Farmers," Mr Clark said.

Citing the disproportionate number of times farm ministers meet the National Farmers' Union compared with their meetings with consumer groups, he said: "That is not good for farmers or consumers."

Labour has promised to establish a Food Standards Agency to regulate safety and quality and a commission of inquiry to make recommendations on nutritional requirements.

It also promises to dedicate one junior farm minister to co-ordinate dealings with the European Commission and other EC institutions.

Labour is determined to press for a radical reform of the Common Agricultural Policy, redirecting a significant proportion of its £32.1bn budget into regional and structural aid programmes.

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Weekend November 30/December 1 1991

Sterling still in the woods

IT WAS a disappointing week for Britain's gloom merchants. Fears that the UK government would be forced to raise interest rates to shore up a plummeting pound were proved wrong. Mr Norman Lamont will have breathed a sign of relief. But he will not have breathed too deeply. The economic pressures that drove the D-Mark up, and thus sterling down, are no less potent now than they were a week ago. German inflation is rising and interest rates could well go up before they go down.

With Maastricht only eight days away, the political background can only get more tense. Few predicted that sterling would end the week over a pfennig up on last Friday's close. But its strength was due not to the success of British politicians in softening the likely terms of a European union, but to the failure of Soviet politicians to decelerate the disintegration of theirs.

Why should events in Russia and the Ukraine be helping the British government? The answer serves to emphasise the global aspect of last week's financial market turbulence. Sterling was caught in the cross-fire of a transatlantic shift in investor sentiment from the dollar to the D-Mark. The D-Mark rose against the dollar, and thus against its partners in the European exchange rate mechanism.

Yesterday, the transatlantic flow was reversed. US investors must have reflected over their Thanksgiving turkeys that while the US economy looks sick, it is still better to have their money as far as possible from the Soviet Union.

Yet it is too early to rule out the chance of renewed D-Mark strength. Investors may be fickle, but they will not be able to avoid facing again the underlying reality that the German economy is likely to remain stronger than the American economy for some months to come.

Shallow recovery

Even this week the news from the US was far from encouraging. Consumer confidence has fallen to below its lowest level in the deep recession of the early 1980s. This recession may have been shallow, but the recovery is proving equally so. And with a presidential election campaign spluttering to life, the chances of further cuts in US interest rates are high.

The Bundesbank, by contrast, may have to raise rates before it cuts them. It is, of course, not likely to do anything so provocative before the summit. The German economy may be slowing. But inflation, not recession, is the immediate threat. Monetary growth is still strong, inflation rose to a higher-than-expected 4.1 per cent in November, and this year's wage round looks increasingly nasty. The Bundesbank's credibility has taken a knock since unification. Restoring it is its priority.

A further bout of D-Mark strength is the last thing that the rest of Europe needs. It could well face France, Italy and the UK too with the choice between re-alignment and a rise in interest rates. Regardless of the sick state of their economies, they will probably choose the latter if they must.

German cycle

Why does Europe face high and possibly rising interest rates? In part, but not entirely, it reflects the very different cyclical position of the German economy, European and US economies. It also reflects a rise in the probability of post-Maastricht re-alignments within the ERM, reflected in the recent general rise in long-term interest rate differentials with Germany.

Although failure to agree the two treaties at Maastricht would release a gale of turbulence into the foreign exchange markets, it does not follow that agreement will foreshadow a period of calm. Emu in 1997 means no re-alignments after 1995. If the markets believe a final re-alignment is on the cards before Emu, they will demand higher interest rates to hold suspect currencies. If current account deficits are one measure of over-valuation, then Italy and the UK will be prime suspects; and if the markets expect a re-alignment between now and Emu, they will demand higher rates in that period.

In any case, the ERM will be an uncomfortable place to dwell in over the coming year. By its end, German interest rates may well be falling. Until then, the deflationary impact of high interest rates will be reinforced by sluggish demand in Germany, and very probably in the US and Japan too.

The first half of 1992 will thus not be a good time to call an election. Unfortunately for Mr Major, that is precisely what he must do. There is little the government can do to speed what is so far an almost non-existent recovery. Nor will the prime minister take much comfort from the Treasury line that a "sterling crisis" is the wrong description for a period of general D-Mark strength. A fall in sterling to the bottom of its ERM bands would mean a rise in interest rates, whether or not the cause was D-Mark strength or sterling weakness. And that, for Mr Major, would be a crisis.

FT writers on the public debate on the future of European integration

The tempo quickens

Beyond the white cliffs of Dover, a public debate on the future of European integration is starting to stir.

And not before time. In contrast to the clamour in the UK about the implications of transferring sovereignty to supranational Community institutions, there has been no widespread airing of views on the continent about what individual countries would give up by moving towards European union. With just over a week to go before the EC summit in the Netherlands, there are signs, however, that British-style reservations about the journey to a federal Europe are inching towards the surface elsewhere. This could yet upset the cards stacked at the European negotiating table – if not at Maastricht then certainly afterwards.

To much of public opinion on the continent, "Europe" is often seen as a panacea for economic and political ills. The further south you go, the more strongly this view is held. In Italy – the country which needs to make the greatest efforts to bring its deficit-ridden economy into shape for European monetary union (Emu) – the tense run-up to the summit is far from the minds of politicians and the public. Mr Carlo Ripa di Meana, Italy's commissioner in Brussels responsible for the environment, is dismayed by his fellow countrymen's lack of interest. "There has been absolutely no debate. There is no sense of what is at stake."

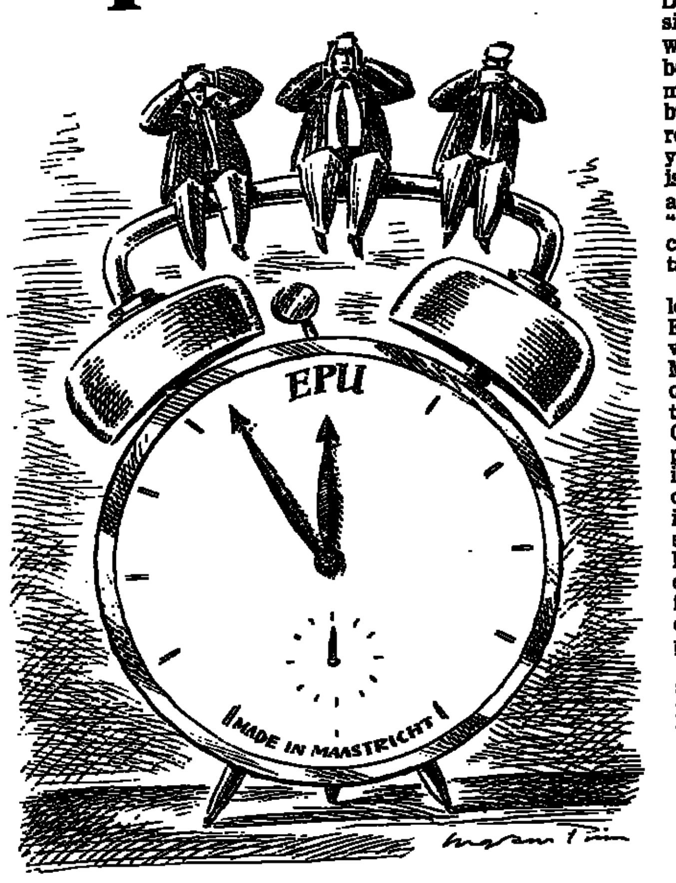
It has been mainly left to captains of industry such as Mr Giovanni Agnelli, chairman of Fiat, and Olivetti's Mr Carlo de Benedetti, to raise cries of alarm. But they have focused exclusively upon whether Italy has the credentials to remain in Europe's economic first division.

In Germany, the key player on European union, the importance of the issues involved is only slowly coming into the public eye. Under Emu, the country would lose its prime asset and national symbol – the D-Mark. Leading German participants in the negotiations say the real debate in Germany over European political union and – what should be far more sensitive – monetary union, will only start next year.

This makes their lives both easier and more difficult. They have not got a hyper-sensitive public opinion breathing down their necks throughout the negotiating process. But at the same time, they are extremely anxious not to leave too many loopholes in the text, which might increase problems in obtaining ratification in the Bundesrat and Bundestag, the two houses of the German parliament.

"There will be a really difficult internal debate here when the ratification process begins," according to one senior official in the Finance Ministry. "We still have not had the real debate. Eventually they will start asking: 'Why is the chancellor giving the D-mark away? What are we getting for it?'"

Already there are hints that ratification may not be plain sailing. A warning shot was fired last week by Mr Herbert Kremp, a trenchant columnist in the conservative newspaper, Die Welt. He charged that Germany was paying for its unification by losing its own room



for manoeuvre. "Is it not worth asking the government: Why is it intent on parting with its D-mark?" he demanded.

The Bundesbank has been making predictably anxious noises about whether other EC member states might try to relax its preferred anti-inflation rules for a single currency. In another admission of worry, one leading German industrialist confides that he has been told by a French business leader that France wants monetary union above all to fund its social security deficits using German wealth.

COUNTDOWN TO MAASTRICHT

Most problematic of all, the Bundesrat, representing the German *Länder* (federal states) is standing up firmly for the principle of subsidiarity – the idea that lower levels of government should do all the jobs they are capable of, with only the minimum passed to national and supra-national levels. It has flatly stated it will reject the political union treaty if this principle is not given due weight.

In France, too, there is evidence of a gap between the central government and public opinion. President François Mitterrand has, for at least the past five years, effectively stifled any effective debate on his European policy. In the National Assembly, which this week debated Europe, Mr Roland Dumas, the foreign minister, outlined the government's ambition of building the Community into the first power in the world. This was however one of those parliamentary debates without a motion or a final vote. All the political party leaders could have their say, but none could directly affect government policy. Hardly surprisingly, the speeches were given distinctly downbeat treatment in the press.

There is certainly political opposition to Mr Mitterrand's federal vision of Europe, including from within his own party. France has brought its inflation rate down to below German levels by shadowing the D-Mark during the past five years – but is suffering rising unemployment. The Communists and the National Front are hostile to the Mitterrand goal; the Gaullist party is opposed to federalism but in favour of a Europe of nation states. According to Mr Philippe Seguin, a populist Gaullist deputy, "The Community invasion today impinges, and tomorrow risks impinging even more, on the very substance of national sovereignty: money, economy, internal security, foreign policy defence."

In practice, Mr Mitterrand's opponents and critics are simply not taken seriously – partly because of the traditional power of the French president in directing foreign policy. In the French media, there is awareness that lack of debate could bring drawbacks.

Mr Franz-Olivier Gisbert, editor of the conservative daily Le Figaro, says public discussion of France's "identity" within Europe is only just beginning. "There is a large majority in favour of Europe – but the French are less pro-European than they were five years ago." He warns that issues like immigration could attract even more attention as "scapegoats" for French discontent about the disadvantages of European integration.

Even in the Netherlands, long thought of as a bastion of Euro-federalism, questioning voices are starting to be heard. Mr Thijs Wöltgens, chairman of the parliamentary group of the Dutch Labour party, the Christian Democrats' coalition partner in The Hague, says he is worried about the cuts the country would have to make in its generous social security system in a genuine federal Europe. He admits that the country's traditional support for ever more integration has contained strong elements of play-acting.

"Dutch politicians never talk about sovereignty or the national interest – that is thought of as something selfish or egoistical," he says. "In our calvinistic tradition, people want to hear preachers in church with high moral standards – when they are really asking: 'How can we do more trade?'" Now, he says, "when one of your ideals (European union) starts to become reality, you can't really say that you didn't mean it."

In Spain, on the other hand, Mr Felipe González, the prime minister, has had even fewer difficulties than Mr Mitterrand in convincing his country of the benefits of surrendering parliamentary sovereignty to the Community.

Spaniards see Europe as a cure-all for their country's own deficiencies – and not just for Spain's shortage of money. Nearly four decades of dictatorship, and centuries of unstable central government before, have instilled deep distrust in the Spanish soul of the country's own rulers, and of their ability to hold together a very disparate nation.

"Spaniards are convinced that linking up to Europe is the equivalent of becoming modern and progressive. They think that once the Community becomes a whole it will be like living in France or Germany or England," says Pedro J Ramirez, editor of the national daily newspaper, El Mundo. In a comment which might apply to millions of other Euro-citizens, he adds: "They have not thought about the negative side."

Reporting by Peter Bruce in Madrid, Ian Davidson in Paris, Robert Graham in Rome, David Marsh in London and Quentin Peel in Bonn

A rapid loss of confidence

Robert Rice on public concern over miscarriages of justice

Public confidence in the courts and the police was dealt another serious blow by events in the Court of Appeal this week.

The overturning of the convictions of Winston Silcott, Engin Raghip and Mark Braithwaite for the murder of PC Keith Blakelock during the 1985 Broadwater Farm riots has had an impact on the public that goes beyond anything felt after convictions against the Guildford Four, Maguire Seven and Birmingham Six were quashed.

These three cases, together with revelations about the conduct of the disbanded West Midlands Serious Crimes Squad, confirmed what had long been suspected: that the police were capable of fabricating evidence to secure a conviction when under pressure. The system was not only capable of perpetrating a grave miscarriage of justice but also of perpetuating it for an inexcusable length of time.

The government's apparent willingness to leave the issues raised by these cases to a Royal Commission on Criminal Justice, which will not report until 1993, has fuelled Tory backbench worries that the party's election hopes will be damaged.

"It will be catastrophic for the country if people come to see the police as an overpowerful, unfriendly, vested interest, and it will undercut the Tory standing on law and order," wrote Mr Charles Moore, deputy editor of the Daily Telegraph, this week.

With the Birmingham and Guildford cases, however, the events happened long ago. Home Office forensic standards have since been greatly improved and the 1984 Police and Criminal Evidence Act have tightened up police procedures and introduced safeguards for suspects.

After the case of the Tottenham Three that excuse is no longer available; despite improved procedures the police still fabricate evidence to secure convictions.

The Tottenham case has inevitably led to calls for immediate action from the government. Lord Mishcon, Labour's chief legal spokesman, said in the Lords on Thursday that public confidence had been so shaken that the government could not afford to wait until the Royal Commission on Criminal Justice reports in early 1993 before taking action.

"To wait two years, followed by the time taken to pass quite complex legislation is too much to ask of a public seriously concerned by this run of miscarriages of justice," he said.

The reply of Earl Ferrers, the Home Office minister, was predictably that these were issues for the Royal Commission, which should not be rushed.

Certainly, the legal procedures can only be addressed by the Royal Commission. Common factors have emerged from the recent miscarriages which require careful consideration. For example, shoddy forensic science work. The commission is expected to make recommendations to improve standards and introduce codes of practice for Home Office forensic scientists and to call for a similar service for the defence.

The commission will also need to consider whether uncorroborated confession evidence should still be admissible in court. The issue is not as clear-cut as the families of the Tottenham Three claim: a survey by the Crown Prosecution Service in September showed that defence counsel challenge confession evidence in only a small minority of cases, suggesting that it is usually acceptable to defence lawyers. The CPS is against making all unsupported confession evidence inadmissible and is backed in this view by the solicitors' profession and the police.

The issue of pre-trial procedures will also be considered by the commission. There are two obvious alternatives to leaving it all to the police: a move towards a continental-style inquisitorial process with examining magistrates charged with discovering the truth; or the Scottish model where the Procurator Fiscal has greater powers than the CPS to supervise the investigatory process.

Finally, the commission will consider whether a new system is needed for dealing with suspected miscarriages of justice once they are identified. There is growing support for an independent review body which could investigate alleged miscarriages and recommend action to the courts.

But the Tottenham case has also shifted the focus of the debate away from the faults of the criminal justice system to the shortcomings of the police. Public confidence seems to have been so shaken that it has now become difficult to secure a conviction on police evidence alone. According to Mr Anthony Scrivener QC, chairman of the Bar, the conviction rate has "never been lower".

Significant increases in police powers in recent years have done nothing to halt the inexorable rise in recorded crime, nor to ensure the guilty are convicted.

Detailed proposals on police procedures may emerge from the commission, but they will do little to tackle the problems within the police force itself. The solution proposed by the police federation this week – the setting up of a Royal Commission on the Police – has done nothing to suggest senior police officers view the problem as urgent. Indeed, this solution would merely push it into the background.

WOMAN IN THE NEWS

Angela Rumbold

Ideologue leaves Sunday views on the shelf

By Ralph Atkins

Carrying a meat dish in one hand and a bottle of red wine in the other, Mrs Angela Rumbold, home office minister responsible for Sunday trading laws, will tomorrow serve lunch for her family. She may go to church. She will not go shopping.

For a minister facing an unprecedented insurrection by some of Britain's most successful businessmen, she is displaying remarkable – perhaps reckless – composure.

Big retailers are flouting the law but neither the government nor its law officers will condemn their actions. Ministers do not even have an official view on how the law should be amended. It hardly smacks of firm government.

Mrs Rumbold, 59, fiery-haired and gaunt-faced, is the lowly minister taking the rap. She is not ashamed of her membership of the Thatcherite No Turning Back Group of MPs, but in this case her free-market instincts have been deliberately suppressed.

"I decided early on that I didn't have a view about this," she says. She dare not be seen in the supermarket tomorrow.

Government policy is that it has no policy: legislation, it says, cannot be changed until the European Court of Justice has ruled on whether British law clashes with free trade provisions in the Treaty of Rome. Local authorities – if they are so bold – can take out injunctions. But they stand little chance of immediate success and it could cost them dear. As Mrs Rumbold says: "To condemn them [the retailers] would mean that I expected the law to come into operation. Unfortunately, from what the attorney general tells me, that is difficult to achieve."

It was not a message that went down well in the Commons. Both Tory and Labour benches were outraged at Mrs Rumbold's parliamentary statement following that of the attorney general on Wednesday. More than 70 MPs of all parties signed a motion condemning the government for not upholding the rule of law.

Dr George Carey, archbishop of Canterbury, is upset; Mr John Major and Mrs Rumbold have struggled to justify their position – not least in the light of charges from people who have been prosecuted for failing to pay the poll tax that there is one rule for the poor and another for big business.

Although self-assured at most times, Mrs Rumbold often becomes flustered under pressure, her schoolmarm-ish style giving way to a nervous laugh. Her present calm, and her confident performance in the Commons this week, suggest that she genuinely does not feel she is to blame.

What, for example, are the views of her boss Mr Kenneth Baker, the home secretary? "You push me, I don't know," Mrs Rumbold says. "I have never, as it happens, asked him what his view is." And the PM?Mr Major agreed in the Commons this week that the law is "bizarre" and that there has to be a compromise; but he, too, has no known views on the hours shops should be allowed to open.

Such ministerial timidity has many causes. Fingers have been burnt in the past. The 1986 shops bill, which would have deregulated opening hours, was thrown out following a Tory rebellion. Tactical mistakes by Mr Douglas Hurd, the then home secretary, allowed church groups to build momentum behind a highly-successful lobbying campaign.

Ministers have been humbled. Mrs Rumbold agrees there is an urgent need for fresh legislation but, "there is a lack of will on the part of ministers to be made to look stupid by MPs who refuse to recognise that there has to be some form of compromise".

Part of the problem lies in the internal contradictions of the Tory party, which combines economic liberalism with Protestant ethics. Mrs Rumbold, as well as a free-market ideologue, is a Christian and a believer in the family. She has three children and three grandchildren. "Sunday is special in the sense that it is one day of the week that I feel passionately that I ought to be able to choose what happens to me."

At the same time, says Mrs Rumbold, the 1950 Shops Act has fallen into disrepute. "We have been overtaken quite dramatically by events," she says, adding that action should have been taken in 1960s and 1970s to reflect the growth of Sunday garden centres, DIY stores, the corner shops and video hirers.

But until this week, it was not a problem that was top of anyone's agenda, including Mrs Rumbold. In any case, she has other high-profile issues to worry about, including prisons and opportunities for women. She is not an overtly ambitious minister. Nor does she have the air of an MP for whom high office is no burden. She has to work hard, at least partly because the subjects she covers are so diverse and intractable.

On Sunday trading she has this year held more than 20 meetings with the competing, and powerful, lobbies on both sides. Nobody, her officials insist, has been turned away, from the Keep Sunday Special campaign to the big retailing bosses. But so far there is little evidence of deals being struck; retailers say Mrs Rumbold has failed to knock heads together.

"There are quite a few retailers who would like her to take a more active role than the current situation where she says 'I have done the rounds' and then holds her hands up in sorrow," said a top executive.

All Mrs Rumbold could offer the Commons was an apparent agreement by all sides that protection for shop workers against exploitation had to be incorporated into any legislation. Otherwise, she said, it was difficult to see where a compromise might lie. "She has got to get the God-squad and B&Q into the same ring. It is not easy," said one ministerial colleague in sympathy.

The trail blazed by Tesco this week in deciding to open on Sundays up to Christmas was not a surprise. In her discussions, big retailers had told Mrs Rumbold that it would be hard if one retailer opened, for others not to follow. She told colleagues, but there was a feeling that the retailers were trying to blackmail the government. "I think one or two people did think it was trying to wield the big stick at the government which is deplorable."

At times of frustration, Mrs Rumbold talks whimsically of setting up her own business, or returning to studying the history of art in which she has a degree. She has a healthy disrespect for some of the quainter traditions of the Commons and its unsociable hours.

If she were to lose her seat at the general election (her 6,183 majority in the London constituency of Mitcham and Morden is safe but not invincible) or her ministerial post in a reshuffle she would not be devastated. But she does not see Sunday trading as her last political battle. Nor does she feel that the issue will greatly matter come next year's general election.

"In the greater scene, in the wider picture of politics as whole, do you think that Sunday trading is going to be a major issue?" she asks. But until Christmas, at least, it does not look like an issue that will slink quietly away.

Alan Friedman says the film industry is banking on Christmas to lift its spirits

Recession comes to Tinsel Town

What is wrong with this picture? That is the question Hollywood executives have been turning over in their minds recently, as the moguls of Tinsel Town try to find an answer to the film industry's current malaise.

The mood in Hollywood is unusually sombre, even introspective. Box office receipts were down by more than 20 per cent this autumn over the same period of last year. Operating margins are so slim that one studio chief admitted in private: "We would have made a better return on investment by investing in tax-free Treasury bonds."

Cuts in advertising and a lack of syndication business have reduced the revenues reaped by the studios from television divisions. And scores of actors, directors and writers are either going without work or having to accept lower fees.

Spiralling costs are a central factor in this overall equation: on average the cost of making, releasing and marketing a film has doubled since 1986 to $38m. Worse still, the spending has, with few exceptions such as Arnold Schwarzenegger's Terminator-2, not produced a comparable rise in earnings. The past year has seen a number of flops, such as Tri-Star's Hudson Hawk, which cost more than $50m and took in less than $17m at the US box office, and Paramount's Frankie and Johnny, which cost $30m and has inched its way to £20m.

It all seems like a bad dream to many of the cosseted denizens of the film industry, especially to the legions of studio executives who are too young to remember anything but the boom times. But a harsh reality is settling in, like the smog above Beverly Hills: the movie business is not recession-proof.

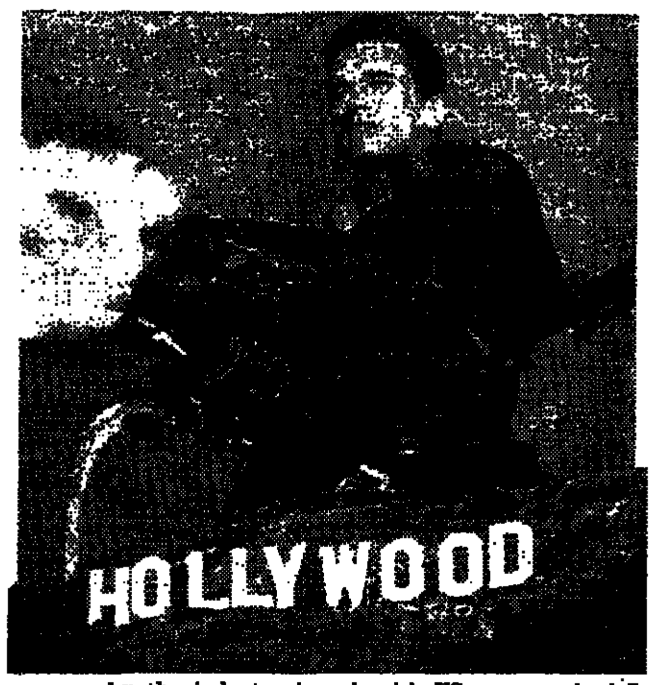
"There is no question that Hollywood is in a blue funk right now. Box office receipts have been dismal," says Mr Jack Valenti, president of the Motion Picture Association.

"The costs in the movie business are outrageous and at a time when people are shepherding their dollars because of recession," adds Mr David Geffen, the entertainment mogul who made an estimated $700m when Japan's Matsushita bought out the entertainment conglomerate MCA-Universal last year.

Yet recession alone does not explain Hollywood's current case of the jitters. The film industry itself has been undergoing structural upheavals since the electronics giants Sony and Matsushita of Japan moved in over the past two years and spent a combined $13bn buying and funding the Columbia and MCA studios respectively. The industry has in some ways now returned to its 1930s roots, dominated by a handful of giant studios that make an average of 20 films each a year. Most of the independent film companies have been washed away by debts and a dearth of the easy capital that characterised the 1980s.

This has led to an industry where studio executives have tended to favour what they perceive as safe, mass-market films. The problem is that these homogenised and low-brow movies have been largely rejected by the public. Every studio boss has his own pet theory as to what ails Hollywood, although the heads of the big six studios – Columbia, Warner, Universal, Fox, Paramount and Disney – all agree that the poor quality of "product" – the local shorthand for motion pictures – is the main problem. Epithets such as "lousy" or "crummy" are used by those who rule Hollywood when they describe the majority of recent releases.

Mr Bob Daly, the veteran chairman of Warner Brothers, cites the lack of quality films as the main problem facing the business. But the recession, the runaway costs of actors', directors and writers' fees, and the rising expense of advertising are also to blame, he says. "I believe 75 per cent of the reason why the industry is down is the poor product, while 25 per cent is the impact of recession on the disposable income of movie-goers."



Not far from Warner's Burbank lot, Mr Tom Pollack, chairman of Matsushita-MCA's Universal Pictures, says the sluggish US economy is definitely making for "tough times", so he is trying to hold down the average cost of his films to under $20m, a lowish figure by today's Hollywood standards. Mr Pollack says rising costs, shrinking profit margins and falling revenues are together the cause of Hollywood's woes, but like Warner's Mr Daly he is also critical about the pictures themselves. "The real worry is whether all the films are going to be so bad that people will stop coming."

In the best tradition of Hollywood sniping, fingers are being pointed at one man for exacerbating the cost problem. Mr Peter Guber, chairman of Sony's Columbia Pictures, is under fire from fellow executives because he has presided over a Japanese-financed spending spree of roughly $1bn over two years. He counters the criticism by pointing out that he found Columbia, which Sony paid $3.4bn for, in tatters and has had to rebuild it from scratch. The largest chunk of investment has gone into generating new movies, at Sony's Columbia and Tri-Star studios, but he has also spent heavily to lure talent and management and to renovate the sprawling Culver City lot.

Mr Guber admits this year has been "very difficult" but hopes Christmas will make up for it. He is sitting on the $62m Hook, Steven Spielberg's updated story of Peter Pan which stars Dustin Hoffman. Despite the obvious appeal of this "event" film, it will still need to gross $120m before the studio breaks even. Mr Guber agrees with his peers, however, that for the first time in years studios are rooting for each other's films on the principle that a solid blockbuster by one could help the others.

Nowhere has the importance of the blockbuster been more apparent than at Mr Rupert Murdoch's Twentieth Century Fox. Last Christmas the success of the film Home Alone helped to boost the studio's earnings a staggering 182 per cent in the 12 months to June 1991. But as with Warner's earnings, the studio's profits are swept up quickly by the debt-laden parent company, in this case News Corporation.

The man credited for the success of Fox is Mr Barry Diller, its chairman. He is known as an outspoken maverick in the industry, unafraid to launch a stinging indictment of some of his colleagues and their spending habits.

"Of course costs are too high," he roars. "Costs are crazy. A film that honourably should cost $28m may cost $34m or $58m or $62m these days. But the issue is why? And the answer is that this business has reached a new level of corruption. What we are seeing is the result of years of short-term, cynical behaviour and it has taken its toll."

The Fox chairman says the industry is now paying for its own inability to control costs. "You almost have to drop a nuclear bomb these days just to get people to ask what is the idea (for a film) and how do we get there economically. They forget that as a studio head you *can* say no, you can say 'Honey, it's our money!'"

Like a gambler rolling the dice, the industry is hoping to strike it rich over Christmas. Warner leads this nail-biting six weeks with JFK, a controversial film by Oliver Stone about the Kennedy assassination. The renamed Sony Pictures Entertainment (SPE) is betting on Hook, a Warren Beatty gangster film called Bugsy and a new Barbra Streisand extravaganza called Prince of Tides. Disney, whose latest profits were down by 25 per cent, is banking on a new version of Beauty and the Beast. Fox is pushing a Bette Midler film called For the Boys, Paramount is praying for success with its latest Star Trek movie, and with The Addams Family, the film version of a ghoulish 1960s television comedy.

There is little evidence, however, of a long-term remedy for the studios, or even that the studio bosses will live up to their own rhetoric and seek genuine economies. "What is really happening," says Mr Diller, "is that everybody is waiting out Christmas and hoping things will improve."

Business air travel blues

Paul Betts on a failure of competition on European routes

For the Christmas holidays, Mr Richard Branson is offering a £249 return fare from London to New York on his Virgin Atlantic Airways. For £24 more, a businessman can buy a one-way British Airways club-class ticket for the much shorter distance from London to Nice.

Competition has been driving down air fares across the North Atlantic this year, but has so far failed to do so in Europe despite the promise of more open skies from European air transport liberalisation.

In the case of European business travel, the trend, if anything, has been quite the reverse. Airlines are again packed with people on busy routes. In most business-class cabins passengers are jammed like kebabs. They sit three abreast wrestling with a newspaper in one hand and a complimentary drink in the other. Delays caused by congestion continue to bedevil air travel in Europe (on average one of four flights is delayed by more than 15 minutes). Airports, despite smart new lounge facilities, remain high on a businessman's stress curve.

This week, the European Commission finally acknowledged that on many European routes the business traveller has not been getting a fair deal. It had been sitting for months on complaints from Britain's Civil Aviation Authority that airlines had increased business-class fares by an unjustified amount on several services to Europe since the introduction of the EC's more liberal air fares regime a year ago. It found that in 40 cases, including 25 involving British Airways, the airlines had raised business-class fares by an amount which was not justified by their operating costs and a reasonable profit margin.

BA says its club-class fares reflect the total costs of providing a premium service

The Commission, which does not have the power to force fare cuts, has referred the matter to the airlines' respective civil aviation authorities. If these fail to agree to instruct carriers to cut the disputed fares, they will have to be referred to EC transport ministers, who can either confirm or reject the Commission's recommendations.

BA has already made it clear it does not intend to reduce its club-class fares, claiming they reflect the total costs of providing a premium service. The European Airlines Association, which represents 22 carriers, says it is up to the market to decide on fares.

In theory, the EC's liberalisation policy is designed to create an open, deregulated air transport market in Europe driven by competition and market forces. But the controversy over business-class fares has exposed the difficulty of creating a free market in an industry where the natural instinct is to seek cosy cartel arrangements and which is dominated in Europe by nationalised carriers.

Under the new, supposedly more liberal EC price regime, changes in air fares between two European countries can only be blocked if the governments at both ends object. The old system enabled one government to veto any change. Although Britain's CAA objected to a series of fare rises, the other countries allowed higher fares. The problem is compounded by the fact that on many routes, only two airlines compete; they usually set the same fares, and the higher the better.

Sir Michael Bishop, chairman of British Midlands Airways, claims businesses are paying up to 30 per cent too much for their air fares because of insufficient choice. In a report on business air travel in Europe, he shows that business travellers on transatlantic routes are now fairly well off. Passengers travelling from Heathrow to New York, for example, can choose between the regular services of four carriers. By contrast, 12 of the 15 busiest routes from Heathrow to Europe are operated by just two airlines, the national flag carriers of the two countries concerned.

The CAA argues that, in the absence of a truly free market, a degree of fare regulation is essential to ensure airlines do not follow their cartel-forming instincts. This is all the more necessary in a European market dominated by state-owned carriers operating under the protection of their governments.

"You need some regulation if you want to make sure airlines don't charge either artificially high prices or set predatory fares to drive weaker competitors out of a market," a CAA official says. But the current system, whereby fare increases are supposed to reflect airline operating costs, is flawed. The danger is that it allows inefficient carriers to pass on their higher costs to consumers.

European transport ministers are due to decide on another stage of European airline liberalisation next month. If they accept the Commission's proposal, they will allow airlines freedom to fly wherever they want within the EC from 1993. This should intensify competition, which, the regulators hope, will help contain future fare increases.

But the industry believes governments are bound to dilute the proposals, and that it will take years to break down all national barriers to a single air transport market. Congestion at airports, inadequate air traffic control and the growing concentration of the industry by mergers, acquisitions and other alliances also risk undermining competition by making it hard for smaller carriers to compete.

The current system allows inefficient carriers to pass on their higher costs

The Commission itself has long been split over the risks and benefits of concentration in the airline industry. The EC competition directorate led by Sir Leon Brittan has been worried that mergers and alliances between large carriers will reduce choice on European air routes and squeeze smaller, more cost efficient airlines out of the market. But the transport directorate, led by Mr Karel van Miert, has argued that European carriers need to match the size and world market penetration of the big US and Asian airlines if they are to compete successfully in an increasingly deregulated global market.

Supporters of the development of a new breed of so-called "Eurochampion" airlines through partnerships like those now under intense discussion between BA and KLM or Air France and Sabena believe greater concentration will lead to better competition in Europe. They argue that while the overall number of airlines in Europe will decline, the survivors will be stronger and more efficient and this should help reduce fares.

The opponents of concentration take a more cynical view. The new "Eurochampions", they say, will be bigger and stronger to take on the American and Asian competition. But in so doing they will be tempted to stitch up between them their European home market, keeping fares high on their European services to bankroll their campaigns on the global market. Flights to New York will become cheaper, but those to Nice even more expensive.

LETTERS

Sunday trading: inconsistency, exploitation and false parallels

From Mr Bill Melly.

Sir, In this complex age things are seldom clear-cut; but they are when it comes to Sunday trading. Those retail businesses proposing to trade in England and Wales on the Sundays before Christmas are breaking the law and are hence trading illegally. For large public companies to behave in such a fashion is both irresponsible and disgraceful.

The attorney-general ducked the issue and the government's responsibility to uphold the law by passing the buck to local authorities. He should have offered them more support. Central government could and should offer to foot the bill if any loss-of-profit actions result from the European Court's eventual ruling.

That the current law is unsatisfactory is irrelevant. That the matter is with the European Court is irrelevant. That competition demands all retailers to break the law if one does is irrelevant. Retailing is highly competitive but it should also be fair. The retail cake is of finite size. For some to divide it illegally into seven slices while others legally keep to six is palpably unfair and should not be allowed to happen.

Bill Melly,
director,
The Oxford Street Association,
c/o Selfridges,
400 Oxford Street, London W1,

From A J Askham.

Sir, I am a lawyer specialising in shopping hours matters. I read with surprise the comments in your leader and your letters column (November 28). Those comments which suggest that retailers are deliberately breaching the criminal law by opening their stores on Sundays in the run-up to Christmas are both unfair and misleading.

As the Court of Appeal indicated so clearly in April of this year, if retailers are right that the Sunday Trading ban is inconsistent with the EC Treaty then they have a right to open their stores on Sundays.

During 1990, retailers were acquitted in the criminal courts; such acquittals have never been appealed. Further, if the law was as clear as your columns and correspondence make out then the House of Lords would not in May of this year have referred the issue back to the European Court. Rather it would have dismissed the appeals of the retailers and found that the law was enforceable.

The facts of the matter are that retailers are advised that the Sunday Trading ban is inconsistent with European Law and hence is unenforceable. Until that issue is finally resolved, only those who form the minority calling itself Keep Sunday Special could possibly suggest that the law was being broken, let alone flouted.

This is an issue of Community law rights being protected and not retailers deciding which laws they choose to obey or disobey.

A J Askham,
Hepherd Winstanley and Pugh,
22 Kings Park Road,
Southampton

From Mr Stephen P Colloff.

Sir, The supermarket groups, Sainsburys, Argyll and Tesco, which have declared their intentions to open on the Sundays before Christmas, claim, no doubt, competitive pressure and recession as their motives. Most important, they claim they are responding to customer demand. If this is the case there is very little objective evidence of customer opinion in this matter or of investment in programmes of customer care aimed at mitigating the effects of the recession. Early morning and late-evening opening, help with packing goods and carrying them to cars, child-minding, maintaining product ranges, competitive pricing, labelling and product promotion are all lamentably behind US and European standards of marketing. This cynical exploitation of the weakness of the law is aimed at one goal – to break Sunday trading restrictions. My family will be doing our Christmas food shopping at Waitrose, Marks and Spencer and the Co-op.

Stephen P Colloff,
The Old Post,
Inkpen,
Berkshire

From Mr Jim Hodkinson.

Sir, There is no sensible parallel to be drawn between observance of the Shops Act and shoplifting.

Shoplifting is illegal, but it is utterly unclear whether the Shops Act has had any force since the UK acceded to the Treaty of Rome.

My company open legally on Sundays; it sell many goods permitted under the Act and beyond that its best advice received indicates that the Treaty of Rome has superseded the Act.

This question has been important enough for the House of Lords to refer it to the European Court.

B & Q employees work voluntarily on Sundays. As supporters of the SHRC we believe Sunday work should be voluntary and specially reimbursed.

Jim Hodkinson,
deputy chairman and chief executive,
B & Q,
Portswood House,
1 Hampshire Corporate Park,
Chandlers Ford,
Eastleigh,
Hants SO5 3YX

The fine art of comparing educational institutions

From W W Sweet.

Sir, I am surprised that Mr David Brancher should claim (Letters 23/24 November 1991) that a free market in higher education could not operate due to lack of information.

Apart from prospectuses of universities and polytechnics, there is a considerable volume of literature from commercial publishers, all offering advice and information to prospective students. All county careers offices employ specialists who advise on entry to higher education, while many sixth-formers in schools have raised the comparative study of institutions of higher education to the status of a fine art.

Such people are avid readers of the Financial Times' annual "league tables" of universities, but (oddly) Michael Dixon has never seen fit to include polytechnics in his analysis.

Government policy on markets in public services is riddled with inconsistencies. Hospitals (we are told) must become self-governing trusts and compete in the open market; but universities, which have always been self-governing trusts competing to attract the best students, are kept under tight central control through the Universities Funding Council.

In recent years, most universities have tried to restrict their rate of expansion, to avoid causing intolerable strains in the facilities provided for students. Most polytechnics have succumbed to pressure from the government and have expanded. As a result, some have treated their students in ways of which they should be ashamed.

Now, through the misuse of financial control, the government is trying to force universities also to grow so quickly that, with the best will in the world, students are bound to suffer. Do ministers think that an increased supply of less well-educated manpower is what the national economy needs? Employers with whom I am in contact emphasise quality rather than quantity.

W W Sweet,
head of careers service,
Lancaster University

Finding the roots of subsidiarity

From U F Marx.

Sir, Perhaps it is too late to advise all the prospective participants of the Maastricht meeting to read Chapter 5, Book 1, of Alexis de Tocqueville's Democracy in America in order to understand the origin and vital importance of "subsidiarity". Freedom has its roots in the parish (or township) which delegates to the higher echelons – the county, then the state – only those decisions which are beyond its scope. The "union" is quite separate, and competent only to deal with exceptional and closely circumscribed matters of general interest.

It may not be much to the liking of the Brussels bureaucracy, but, as de Tocqueville might have said, *tant pis*.

U F Marx,
90a Armorial Road, Coventry

Fax service

LETTERS may be faxed on 071-873 5938. They should be clearly typed and not hand-written. Please set fax machine for fine resolution.

Office blocks go up faster than London Underground escalators

From Mr Colin D Lever.

Sir, While waiting on the platform at Moorgate station on Thursday I noticed London Underground's new poster (reproduced in a full page advertisement in Wednesday's Financial Times). It tells us that London Underground is aware of everybody's dissatisfaction with it, and that it has now formulated a company plan that will "make sure customers are better served at stations", that there will be "more information" and "swift maintenance."

Twenty feet up the platform is another poster, announcing the commencement, on January 6, of a major overhaul of not one, not two, but three of the escalators at Victoria underground station – one of the principal interchange and British Rail stations in the city. It is stated that the overhaul will take nine months and that, for this period, London Underground "advise you to avoid entry, leaving, or changing trains at Victoria underground station completely".

A host of questions spring to mind. One which has always intrigued me is why it takes longer to repair an escalator (at Victoria and elsewhere) than to build an office block.

Colin D Lever,
senior partner,
Bacon & Woodrow,
St Olaf House,
London Bridge City, SE1

Why complain?

From Mr Waldemar Januszczak.

Sir, William Packer, in his tirade against the Turner Prize short-list (November 26) comments: "How refreshing it would have been, had the Turner Prize juries been required to address themselves to the best work of art produced in Britain in the previous year". Since that is exactly what the juries were required to address I do not see what Mr Packer is complaining about.

Waldemar Januszczak,
commissioning editor, arts,
Channel Four Television,
60 Charlotte Street,
London W1

UK COMPANY NEWS

Citibank move puts pressure on pact

By Robert Peston

A PACT between banks to support the Maxwell family's private companies has come under pressure, because of the decision by Citibank, the big US bank, to sell shares in Maxwell Communication Corporation, which it held as collateral.

A banker said: "Citibank's sales appear to breach the spirit of our informal standstill [on sales of shares held by banks as security]. But it is too early to say whether it will jeopardise attempts to put in place a formal rescue".

The Bank of England has been informed of Citibank's actions by banks leading the rescue of the private companies. But the Bank is hopeful that Citibank will reach an accord with these banks, without the need for it to exert pressure

Since the death of Mr Robert Maxwell at the beginning of November, there has been a tacit understanding between banks that they would not sell shares held as security, though this only became an explicit agreement on November 25 and is still not legally binding.

Citibank said yesterday that it had sold 5.75m MCC shares in 21 transactions between November 4, the day before Mr Maxwell died, and November 20. However it did not disclose whether it has sold more shares since then – under the Companies Act, it has no obligation to make further announcements on share sales, since its interest in MCC has dropped below the discloseable level of 3 per cent.

Nonetheless, Citibank has told other banks that it does not feel under an obligation to observe a standstill, because of the manner in which it acquired its exposure to the Maxwell private companies. In essence, it does not regard itself as having made a commercial loan to the Maxwell private companies.

However, another bank said: "Citicorp's position is absurd. In effect it is sitting on a loan, just like the rest of us. There is no reason why it should be a special case".

Citicorp is owed money by the Robert Maxwell Group, one of the private companies, because of a spot foreign exchange transaction it carried out with the company on October 18. Robert Maxwell Group did not settle its side of the bargain, so Citibank was left as an unsecured creditor.

The failure of Robert Maxwell Group to settle the bargain appears to be another example of the financial difficulties being faced by the Maxwell private companies before the death of Mr Robert Maxwell.

On October 25, Citibank was given a charge over 25m MCC shares, as collateral against the debt. At the time, these shares were priced at 147p, valuing the stake at £37m.

Yesterday, MCC's share price fell from 38p to 36p.

River & Mercantile raising £37.6m

By John Authers

RIVER & Mercantile Trust, the investment trust, yesterday launched a £36.7m rights issue. It is the largest conventional rights issue by an investment trust which does not involve a restructuring of the company.

River & Mercantile is making the offer because its shares are trading at a substantial premium to net asset value – the aggregate premium is 17.7 per cent – and it wishes to take advantage of current strongly favourable investor sentiment towards investment trusts.

The trust has a complicated split-capital structure, including stepped preference shares, income shares, capital shares and warrants.

- Stepped preference share holders will be offered two new shares for every seven shares currently held at 113.5p per share – the current price is 119p.
- Income share holders will be offered one new share for every three held, at 105.5p per share. The current price is 118p.
- Capital share holders can take two new shares for every seven held, at 77.5p per share. They will also receive one new capital share for every 21 held via a capitalisation issue. These shares are currently trading at a discount – the price is 95.5p, after adjustments have been made for the capitalisation issue.
- Warrant holders can take one new warrant for every three currently held, at 17.5p each. The current price of warrants is 26p.

Separate general meetings for income and capital shareholders in the company will be held on Monday, December 23, when there will also be an extraordinary general meeting.

Dealings in the new securities (nil paid) start the following day. Final acceptances, and payment in full, must be made by Wednesday, January 15 next year, with trading in the fully paid new securities starting on January 16.

Cable and Wireless pulls out of $174m US carrier deal

By Hugo Dixon

CABLE AND WIRELESS, the telecommunications group, has pulled out of an agreement to buy TRT/FTC Communications, a US long-distance telecommunications carrier, for $174m (£98.3m).

It said this followed its inability to renegotiate a lower price with Pacific Telecom, TRT's owner. The UK group wanted a lower price because the deal had been held up since the beginning of the year while waiting for approval from the US regulatory authorities.

The decision to pull out was somewhat unexpected since the Federal Communications Commission, the US regulatory body, had been expected to give its approval by the end of the year.

Approval was needed because foreign-owned companies are not normally permitted to own more than 25 per cent of a company with radio communications licences.

Acquiring TRT would have made Cable and Wireless the fourth largest long distance carrier in the US.

Cable said it would implement alternative plans to achieve its strategy of providing a complete portfolio of domestic, international and enhanced services in the US.

It plans to apply for licences to provide international services. Under US regulations, as a foreign-owned company it would be classified as "dominant" if it provided international services. But, following a petition by Cable, the FCC is expected to rule soon on whether this classification should be relaxed.

Cable would not rule out expanding its US business through acquisitions but Lord Young, the company's chairman, recently dismissed as "poppycock" the suggestion that it might buy a stake in US Sprint, the country's third largest long-distance carrier.

See Lex

Interest income boosts Wessex Water

By Michiyo Nakamoto

WESSEX WATER, which has taken a bold step in diversifying into waste management, increased pre-tax profits in the half year to September 30 as it enjoyed higher interest income because of a substantial cash injection from its US partner.

The company, which saw a 14 per cent rise in interim pre-tax profits from £34.9m to £39.8m, is raising its interim dividend by 8 per cent to 6.6p (6.1p). Earnings per share were 36.2p (32p).

Wessex warned that a return to the public sector of the privatised water companies, would be "a return to stop/go funding and inadequate investment," as it reported the higher results.

The joint venture arrangement that the company set up with Waste Management of the US in January brought it the benefit of a 71 per cent increase in interest income, due to a £62.5m cash injection from the US company that was part of the deal.

Interest receivable for the period rose to £6.1m (£3.9m) and contributed 15 per cent to pre-tax profits, while turnover rose by 13 per cent to £94.5m (£83.5m), largely due to a 14.2 per cent increase in water and sewage charges. The actual volume supplied by the company fell by 4 per cent in terms of revenue.

In the second half interest receivable would fall as capital expenditure and Wimpey Waste Management, which was set up after the acquisition of Wimpey's waste disposal business in October, continued to eat into the cash surplus, the company said.

The joint venture is, however, making profits and is expected to contribute to profitability in the second half.

Capital investment rose by £16m or 44 per cent to £52m in the first half. Wessex, which said it was the only utility with a BS5750 for customer services, an industrial standard, plans to spend around £140m in the full year.

See Lex

Chief executive quits Alliance & Leicester

By David Barchard

MR SCOTT Durward yesterday resigned as chief executive of Alliance & Leicester, the third largest UK building society. He had been head of the society and its predecessor, the Leicester building society, for the past 10 years.

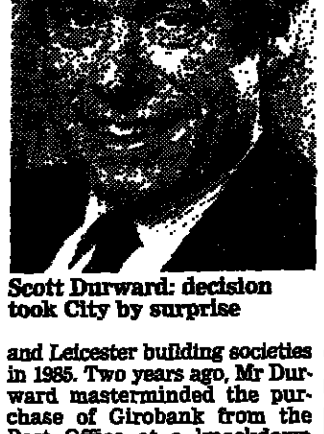
He is to be replaced by Mr Peter White, deputy chief executive and finance director.

Mr Durward's decision to retire at the early age of 56 took the City by surprise.

However Mr Fred Crawley, the former deputy chief executive of Lloyds Bank who became A&L chairman in August, denied suggestions that Mr Durward had been forced out by a boardroom coup.

"I really can't remember who approached who but his resignation is quite voluntary. I couldn't give you the time (of it)", Mr Crawley said.

He said details of Mr Durward's compensation for ending his five-year contract early still had to be worked out. Mr Durward was not available for comment at his Leicestershire home.



Scott Durward: decision took City by surprise

Mr Durward was widely regarded as a strong building society chief who had built A&L up into one of the most successful players in the industry since its creation from a merger between the Alliance and Leicester building societies in 1985. Two years ago, Mr Durward masterminded the purchase of Girobank from the Post Office at a knockdown price of £111.9m.

Last year A&L, which has assets of £18.4bn and a mortgage book of £13bn, made pre-tax profits of £198.6m but its profitability was dented by heavy losses on commercial lending. This year, because of the problems of the residential housing market, its profits are expected to be about half last year's level.

Stoddard Sekers edges ahead

By Daniel Green

GOOD SALES in a difficult carpets market and tight control of debt enabled Stoddard Sekers International to produce a pre-tax profit of £1.05m for the six months ended September 30, against £1.01m.

The group, which makes Wilton and Axminster carpets and fabrics, is raising the interim dividend by 36 per cent to 0.75p (0.55p), thereby bringing the relationship with the final more closely to the pattern of earnings throughout the year. Earnings in the period were 1.2p (1.3p) after a higher ACT charge.

Mr Ralph Ellis, chief executive, said the group's strong profits performance came from a sharp increase in its share of the carpet market. Despite a decline of 15 per cent across the industry over the year, the group lifted carpet sales by 5 per cent. That pushed turnover to £22.2m (£20.6m).

Trading in fabrics, though less buoyant than in carpets, had been encouraging.

Profits were also helped by a low gearing of 12 per cent, compared with the 20 per cent more normal at the interim stage. This resulted from control of working capital. Gearing would fall be below 10 per cent by the end of the year.

Cluff to raise £8.4m for gold mine in Ghana

By Kenneth Gooding, Mining Correspondent

CLUFF RESOURCES is to raise about £8.4m from a rights issue to develop a new gold mine in Ghana and will dispose of its oil and gas interests.

This was another step towards turning the London-based company into "an old-style mining finance house, focusing on Africa and gold," Mr Algy Cluff, chairman, said. At present Cluff's income comes from gold mines in Zimbabwe.

The rights issue of 11-for-20 will be priced at 34p compared with 47p in the market before the announcement. The Hutchison Group, which owns 24.6 per cent of Cluff, has irrevocably undertaken to take up its entitlement and Kleinwort Benson Securities has fully underwritten the rest.

Cluff forecasts 1991 pre-tax profits not less than £2.3m (£2.5m), and intends to maintain the dividend at 1p.

Production from the Freda Rebecca mine in Zimbabwe will be about 61,000 troy ounces of gold this year (74,675 in 1990), but should rise to 70,000 ounces next year. Production from the Royal Family mine is expected to be 5,000 ounces this year (6,509).

Cluff intends to develop the Ayanfuri open pit mine, west of Dunkwa in the central region of Ghana where about £3m has been spent on exploration and evaluation work.

Mr Cluff said cash production costs at Ayanfuri were projected to be US$169 an ounce compared with $230 in Zimbabwe. His company calculated that its average of $204 an ounce was lower than 86 per cent of the western world's operating gold mines.

Recession hits Asprey as profits decline 8%

By Andrew Bolger

RECESSION has finally reached even Asprey, the Bond Street jeweller which last year bought Mappin & Webb from Sears for £75m.

The upmarket jeweller yesterday reported an 8 per cent drop in interim pre-tax profits to £10.93m, in spite of an increase in turnover from £42.61m to £49.21m .

Previously Asprey's more expensive products had escaped the worst of the consumer spending downturn, but the company said the acquisition of Mappin & Webb had broadened its customer base and recession was now hitting all levels of the business.

Mr John Asprey, chairman, said the group's performance had been encouraging under these circumstances. Mappin & Webb had opened two new branches and Asprey had relocated its gunroom to adjacent premises. This expansion would provide the group with a considerably broader base from which to take advantage of the anticipated recovery in the economy.

Earnings per share were down to 6.87p (9.07p). The interim dividend was maintained at 1.1p.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres-ponding dividend	Total for year	Total last year
Asprey	int	1.1	-	1.1	-	4.85
Edbro	int	nil	-	1	-	2
European Colour	int	0.25	Jan 6	0.25	-	0.65
Fleming Far East	int	-‡	-	0.2	-	2
Perpetual	fin	2.4	Jan 30	1.7	3.2	2.5
Stoddard Seekers	int	0.75	Jan 16	0.55	-	2.5
Tops Estates	int	0.55☆	Mar 26	0.5	-	1.8
Wessex Water	int	6.6☆	Apr 1	6.1	-	17.7

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. ☆Carries scrip option. ‡Only annual payments now made.

£3m rights by Expedier

By Richard Gourlay

EXPEDIER Leisure, whose main asset is a ticket sales joint venture with Wembley, the owner of the national stadium, has been rescued by a £3.1m one-for-one rights issue at 8p.

Without the issue, which is underwritten by Robert Fleming, Expedier would have breached lending covenants with its banks. Bankers have now agreed to supply new facilities.

The rights issue reduces debt from £4.5m to about £1.4m and gearing to about 15 per cent. Expedier is expecting to dispose of further assets, including the Coopers walking stick business.

Expedier ran into trouble in the summer in its non-ticketing businesses which include furniture hire for television, the provision of facilities for sports events and the running of those events.

The group incurred pre-tax losses of £1.42m in the six months to June and had net debt of £7m before it sold its ticketing agency, First Call, to the joint venture with Wembley.

An adviser said Expedier expanded too quickly into businesses it did not control and had bought at least one sporting event which had failed to attract sponsors. It was then hard hit by recession and Gulf war so that gearing rose sharply as cash flowed out of its ticketing business.

Expedier said it had recently won the contract to design and erect the hospitality village for the sponsors of the 1992 Barcelona Olympics at which it will also provide marquees and furniture.

Expedier shares closed down 2p at 8p.

Wilkes and Lynx shares tumble

By Chris Tighe

THE SHARE price of two Sheffield companies, James Wilkes, the world's biggest maker of beer mats, and Lynx Holdings, dropped yesterday following an announcement that their chairman Mr Stephen Hinchliffe had been arrested on Thursday.

Mr Hinchliffe, a high profile Sheffield businessman, was not charged with any offence and was released on police bail a few hours later, following questioning by members of West Midlands Commercial Fraud Squad. They said he was arrested at his home, and his works premises searched, as part of an investigation into WB Industries, a West Bromwich engineering company.

"This is an ongoing inquiry of a complicated and lengthy nature into WB Industries and it's for this reason that limited details are being released at this time," said the Fraud Squad, which confirmed Suffolk police had also been involved in the inquiry, and files were being prepared for the Fraud Investigation Group.

Shares in cutting tool and beer mat maker Wilkes dropped from 177p to 159p before closing at 163p. Lynx, a USM-quoted leisure and computer products and services company, fell 6p to 40p. WB's shares were unchanged at 29p.

In a statement, Wilkes said that in November 1989 Allied Industrial Estates, a company controlled by Mr Hinchliffe, sold a property in Sheffield to a WB subsidiary, WB Estates, for £1.7m. Allied took civil proceedings against WB and its parent company when £300,000 remained unpaid and won summary judgment for the amount, plus interest and costs. WB has lodged an appeal, yet to be heard.

Mr Andrew Hartley, Wilkes company secretary, said Allied was one of several separate private companies owned by Mr Hinchliffe. He said there had been only a "very tiny" volume of trading in Wilkes and Lynx shares yesterday, indicating shareholders were supportive of their chairman.

Mr Hinchliffe, who continues as chairman of the companies with the support of his co-directors, said : "I feel very aggrieved that I have been implicated in these investigations and totally refute any suggestion that my business dealings are or were in any way improper."

Mr Peter Grandfield, chairman since September of WB, said the board called in the commercial fraud squad early last year to investigate three commercial property transactions by WB Estates, including the deal with Allied.

LONDON RECENT ISSUES

EQUITIES

Issue Price	Am'nt Paid up	Latest Renunc Date	1991 High	1991 Low	Stock	Closing Price	+ or -	Net Div	Times Cov'd	Gross Yield	P/E Ratio
-	F.P.	-	58	54½	BTR Warrants 1995/96	57	+2	-	-	-	-
-	F.P.	-	143	105	Baillie Gifford Jap Wrrts	105	-3	-	-	-	-
140	F.P	-	147	140	Burn Stewart Dist.	147	+2	R5.0	2.3	4.5	11.4
-	F.P.	-	3	2	Butte Mining Wrrnts.	2	-¼	-	-	-	-
‡	F.P.	-	110	83	Capital Ventures 1p	83		-	-	-	-
4	F.P.	-	9½	3	Culver 1p	4		-	-	-	-
-	F.P.	-	320	188	Eurotunnel '91 Wrnts	225		-	-	-	-
§500	F.P.	-	507	473	Fidelity Euro Values Units.	475		-	-	-	-
§235	F.P.	-	283	256	Frost Group	275	-1	u2.0	0.9	1.0	11.7
195	F.P.	-	216	200	JIB Group 10p	206		R7.5	1.8	4.9	15.3
587	F.P.	-	574	563	*Latin Am Extra Yld	574	+11	-	-	-	-
§28	F.P.	-	22	17½	M & G Income Cap. 1p	17¼	-½	-	-	-	-
-	F.P.	-	66	61	Do. Geared Units	61½		M4.91	-	10.6	-
§44	F.P.	-	45	43½	Do. Income 1p	44		M4.91	-	14.9	-
100	F.P.	-	102	97	Do. Package Units	97		M4.91	-	6.7	-
§500	F.P.	-	505	496	Morgan Grenfell Eq. Unit.	501	-1	-	-	-	-
50	F.P.	-	54	39	‡Simpsons of Cornhill 5p	41		-	-	-	12.7
100	F.P.	-	102	100½	St. Davids Zero Div Pf	100¼	-½	-	-	-	-
-	F.P.	-	3	1½	Wills Group Wrrnts.	2½		-	-	-	-

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc Date	1991 High	1991 Low	Stock	Closing Price £	+ or -
100p	F.P.	-	100¼p	100p	Barings 9¼pc Non-Cum. Prf. £1	100¼p	
10p	F.P.	-	10p	8p	Butte Mining 10pc (Net) Cv Prf 1994	10p	
100	F.P.	-	100½	98½	Camborne Ints. 10½pc Rd. Deb. 2001	100½	+1
100p	F.P.	-	103p	101p	Fidelity Euro. Values Equity Ln 2001	101p	-1
105	F.P.	-	105	100	Greencore 9.5% Cov Un Ln Stk 1995	100	
34½p	F.P.	-	37p	35¼p	M & G Income Zero Div Prf. 1p	35¼p	-½
100p	F.P.	-	104p	100¼p	NatWest Bank 9pc Prf Series A	100¼p	

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc Date	1991 High	1991 Low	Stock	Closing Price p	+ or -
100p	Nil	12/12	12½pm	½pm	Allwoods	1½pm	-½
120	Nil	5/12	23pm	10pm	Brent Chemicals 10p	10pm	-3
42	Nil	17/12	2pm	¼pm	‡Corporate Services 40p	½pm	
10	Nil	6/12	1½pm	1pm	Lowe (Robert H) 1p	1pm	
88	Nil	7/12	10pm	3pm	Molynx 20p	4pm	
215	Nil	20/12	38pm	31pm	More O'Ferrall 10p	37pm	
125	Nil	27/12	10pm	10pm	PCT Group 10p	10pm	
7½	Nil	17/12	3pm	1½pm	Ross Group 5p	2pm	
282	Nil	23/12	45pm	30pm	Sims Food 5p	30pm	
150	Nil	16/12	1½pm	1½pm	St. Davids Inv Inc	1½pm	
40	Nil	16/12	14pm	12½pm	TIP Europe 5p	13pm	
5	Nil	-	1½pm	¼pm	‡Union Square 1p	¼pm	

a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. e Earnings based on preliminary figures. u Forecast or estimated annualised dividend rate, cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1990-91. H Dividend and yield based on prospectus or other official estimates for 1991. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. § Offered to holders of ordinary shares as a "rights". ‡ Introduction. ¶ Placing price. †† Reintroduction. ‡ Unlisted securities market. ◊ Issued in connection with reorganisation, merger or takeover. pm Price at a premium. * Unregulated collective investment scheme. ¤ Unit comprising of 5 Ords and 1 Warrant.

TRADITIONAL OPTIONS

- First Dealings Nov. 18
- Last Dealings Nov. 29
- Last Declarations Feb. 20
- For settlement March 2

For rate indications see end of London Share Service

Calls in ASDA, Brown & Jackson, Cluff Res., Forte, Johnson Matthey, P & P, Saatchi & Saatchi, Steetley and Tullow Oil. Puts in Penna and Greycoat. Put and call in Conroy Petroleum.

NEWS DIGEST

Oceonics in £2.6m cash call

OCEONICS, the offshore services and technology company, yesterday announced a one-for-five rights issue to raise £2.6m as pre-tax profits for the six months to 30 September more than doubled from £1.15m to £2.42m.

Since Dr Anthony Henfrey joined the group as executive chairman in February, following the resignation of the previous chairman and four directors, a massive rationalisation has been completed.

The group has disposed of all its loss making non-marine business and is concentrating on strengthening its core marine service divisions.

Dr Henfrey said with the reorganisation out of the way the group was seeking funds from shareholders to take advantage of the opportunities to develop markets for telecommunications, environmental and marine survey services.

The group also plans to strengthen its satellite signals marketed under the name MN-8.

The new shares, underwritten by stockbrokers Marshalls, will be issued at 12½p against a price of 14p ahead of the announcement.

The shares yesterday closed unchanged.

Sales increased by 59 per cent to £19.69m (£12.35m) and earnings per share were 1.4p (0.6p).

The improvement reflects the benefits from the Zeepipe pipeline construction survey contract, on which Oceonics Intersite BV started earlier in the year.

Ratners cuts all prices by 25%

Ratners Group, the jewellery retailer, yesterday attempted to kick-start Christmas into action by reducing the price of all the items in its stores by 25 per cent.

The company reported an encouraging response to its move. "It gets people into the shops and thinking about Christmas," it said.

The offer will be repeated today and in Scotland on Sunday. Ratners announced this week it will open 560 of its high street stores on Sunday in an attempt to generate additional sales.

Ratners' move sparked a 30 per cent discount offer from F Hinds, an 87-store private chain of jewellers. Hinds said: "Never before has the high street seen such drastic cuts before Christmas."

Greencore to begin court proceedings

Greencore, the Irish sugar company, yesterday said it would begin High Court proceedings in Dublin against Mr Christopher Comerford, its former chief executive, and other former executives and advisers of the company.

Mr Comerford and Mr Michael Tully, company secretary, resigned in September following allegations that they and others had benefited from the sale of a company to Irish Sugar, as Greencore was formerly known. The company said yesterday it would try to have rescinded the severance packages of Mr Comerford and Mr Tully.

It said it would also initiate proceedings against Mr Charles Lyons and Mr Thomas Keleghan, both former executives, and Mr John Murphy, an adviser. It alleges breach of contract and trust among other complaints, and is seeking restitution of any profits they might have made plus damages and costs.

The allegations and resignations have contributed to the intense political pressure on Mr Charles Haughey, the Irish Prime Minister.

Dumas deeper in red at £162,000

The downturn in the food distribution trade caused by the effects of the Gulf war on the hotel and catering sectors, left Dumas Group with increased pre-tax losses of £162,000 against £15,000, for the half year to July 31.

This importer and distributor of speciality foods which joined the USM in October reported a 27 per cent drop in turnover to £3.58m (£4.9m) and operating losses of £50,000 (£117,000 profits). Net interest payable was £112,000 (£132,000).

Mr Arne Bergbrant, chairman, said that the second half had started on a more encouraging note, but sales were still below anticipated levels.

Losses per share amounted to 3.71p (0.34p).

Tops Estates turns in 20% improvement

Continued sound progress was made by Tops Estates in the half year ended September 30 1991, with pre-tax profit rising 20 per cent, from £1.12m to £1.34m.

Rental income rose to £5.28m (£4.79m). Interest on loans fell to £3.82m (£4.24m) but interest received on short term deposits also fell, to £590,000 (£1.12m).

Earnings per share came to 1.92p (1.59p) and the interim dividend is 0.55p (0.5p).

Edbro jumps 74% to £440,000 midway

Edbro, the maker of hydraulic tipping hoists, truck bodies and skip loaders and the subject of an agreed bid from the French transport group Marrel, has announced its figures for the six months ended September 30 1991.

Pre-tax profit increased 74 per cent from £253,000 to £440,000 on turnover of £13.3m (£13.9m). Earnings were 3p (2p) but there will not be an interim dividend (1p) in view of the offer.

The offer made earlier this week was 270p per share, almost double the previous market closing price. Marrel said it did not wish to get into a contested takeover.

Special costs hit European Colour

Several non-recurring factors hit European Colour in the six months ended September 30, and the pre-tax profit reached only £26,000, compared with £271,000.

However, that did compare favourably with the second half of last year, when the profit was £2,000 excluding the exceptional credit.

Sales were held at £6.92m (£6.62m) but had to bear the costs of restructuring and the start up costs of the quality management programme. The resultant operating profit was £74,000 (£304,000).

Earnings per share fell to 0.06p (0.58p); the interim dividend is held at 0.25p.

Closure costs cut into Paramount

Paramount has decided to focus management on its core business of public houses, and this had an adverse affect on first half profits.

They fell from £401,000 to £355,000 pre-tax after providing for trading losses and attendant closure costs of the contracting furnishing and glassware distribution activities.

Disposal of the remaining operating subsidiaries should be completed by the end of the financial year.

Earnings per share in the period fell to 0.72p (0.93p).

Perpetual managed funds increase 65%

Funds under management of Perpetual increased by 65 per cent over the year to a record £693m at September 30. Pre-tax profits for the year climbed from £1.72m to £2.94m.

On turnover up from £116m to £182m, operating profits rose from £740,000 to £2.25m. Net interest receivable was down from £965,000 to £673,000.

After tax of £888,000 (£444,000) earnings emerged at 7.95p (4.97p) and the final dividend proposed is 2.4p (1.7p) making a total of 3.2p (2.5p).

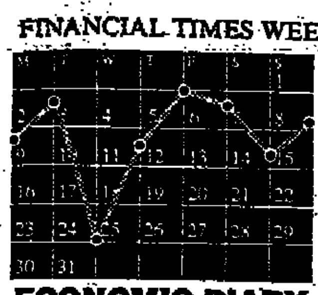
Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales

1/2 hour period ending	Provisional Price for Trading on 28.11.91: Pool purchase price £/MWh	Final Prices for Trading on 02.11.91: Pool purchase price £/MWh	Final Prices for Trading on 02.11.91: Pool selling price £/MWh
0030	16.82	16.09	16.09
0100	16.89	18.13	19.96
0130	17.79	18.13	19.96
0200	17.79	18.13	19.85
0230	16.89	15.92	15.92
0300	16.64	15.92	15.92
0330	16.61	15.88	15.88
0400	16.49	15.66	15.66
0430	16.47	15.85	15.85
0500	16.49	15.63	15.63
0530	16.43	15.83	15.83
0600	16.42	15.84	15.84
0630	16.42	15.85	15.85
0700	16.42	15.88	15.88
0730	16.44	15.88	15.88
0800	16.49	15.90	15.90
0830	16.52	17.05	18.86
0900	16.59	17.30	19.12
0930	16.61	17.38	19.19
1000	17.63	17.30	19.11
1030	17.63	17.38	19.19
1100	17.63	17.38	19.19
1130	17.63	17.30	19.11
1200	16.61	17.30	19.12
1230	16.60	17.30	19.12
1300	16.58	17.06	18.85
1330	16.54	16.95	18.73
1400	16.51	15.90	15.90
1430	16.45	15.88	15.88
1500	16.48	15.88	15.88
1530	16.46	15.88	15.88
1600	16.82	15.90	15.90
1630	17.40	16.03	16.03
1700	16.73	19.48	21.34
1730	24.23	21.88	23.79
1800	24.23	21.88	23.79
1830	24.23	21.88	23.78
1900	22.12	20.37	22.22
1930	20.40	19.48	21.32
2000	19.63	19.18	21.00
2030	17.63	18.04	19.86
2100	17.40	18.04	19.85
2130	17.40	17.30	19.10
2200	17.40	17.30	19.10
2230	16.49	16.95	18.73
2300	16.45	15.90	15.90
2330	16.42	15.87	15.87
2400	16.43	15.86	15.86

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left. eg £16.86/MWh becomes 1.686p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The provisional Pool Purchase Price is subject to revision or correction until final pool prices are determined approximately twenty-four days after the day of trading. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Final pool prices are also capable of revision.

NGC Settlements Limited

هكذا من الأصل



ECONOMIC DIARY

TOMORROW: Mr John Major, prime minister, meets Mr Ruud Lubbers, prime minister of Holland. Ukraine holds referendum on independence and presidential elections. Rio Group summit in Cartagena, Columbia. European Community finance ministers meet in The Hague. First day of Sunday opening for major supermarket chains.

MONDAY: US National Association of Purchasing Managers index (November). The general affairs and the economic/finance councils of the European Community meet in Brussels. Royal Smithfield Show opens. Moves to wind up Bank of Credit and Commerce International. Start of two-day Financial Times confrence "Health care – the changing UK market" in London. Western European Union assembly in Paris.

TUESDAY: The Treasury publishes figures for the UK official reserves (November). Central Statistical Office announces cyclical indicators for the UK economy (October-second estimate). US leading indicators for October; new home sales for October. European Community social affairs council meets in Brussels. Andean Group holds summit in Cartagena, Columbia.

WEDNESDAY: Central Statistical Office issues overseas travel and tourism figures in September. Advance energy statistics in October published by the Department of Energy. Details of employment, unemployment, prices and other indicators from the Department of Employment. Second stage of US-sponsored Middle East peace talks in Washington. Close of BT retail share offer. US GNP (prelinary release-third quarter); productivity and costs (revised-third quarter). Financial Times conference "World Telecommunications" in London.

THURSDAY: The Department of Employment issues new earnings survey part F: results for distribution of hours and part-time women employees. The Department of the Environment gives figures for housing starts and completions (October). US factory orders (October).

FRIDAY: Family expenditure survey (1990). US unemployment data (November); consumer credit (October).

FT-ACTUARIES SHARE INDICES

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EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Friday November 29 1991 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%))	Est. P/E Ratio (Net)	xd adj. 1991 to date	Thu Nov 28 Index No.	Wed Nov 27 Index No.	Tue Nov 26 Index No.	Year ago (approx) Index No.	1991 High	1991 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (180)	745.80	-1.3	9.29	6.53	13.71	33.34	755.41	758.22	763.18	722.77	890.04 15/3	675.31 16/1	1038.07 16/7/87	50.71 13/12/74
2 Building Materials (23)	887.81	-1.6	8.38	7.01	15.75	41.75	902.33	914.04	925.51	994.59	1167.75 14/3	887.81 29/11	1381.08 16/7/87	44.27 11/12/74
3 Contracting, Construction (30)	953.43	-4.7	8.35	7.68	17.09	51.30	999.99	1005.62	1006.21	1163.00	1438.66 15/3	953.43 29/11	1951.50 16/7/87	71.48 2/12/74
4 Electricals (10)	2360.03	-1.0	10.22	6.26	12.46	98.23	2384.22	2390.93	2415.97	1869.27	2675.48 1/10	1837.98 22/1	3040.80 8/9/89	84.71 25/6/62
5 Electronics (25)	1637.59	-0.1	11.32	5.83	11.22	52.97	1639.45	1638.95	1675.10	1593.19	1958.19 15/3	1478.08 16/1	2308.22 19/5/89	1229.01 8/10/85
6 Engineering-Aerospace (8)	324.25	-0.4	17.29	8.01	6.99	18.52	325.45	323.41	326.79	387.49	469.23 9/4	323.41 27/11	502.42 13/6/90	323.41 27/11/91
7 Engineering-General (43)	453.37	-1.1	10.74	5.52	11.47	17.78	458.41	459.41	463.68	359.18	503.16 2/10	339.57 23/1	505.10 15/6/90	339.57 23/1/91
8 Metals and Metal Forming (9)	312.59	-1.0	2.10	11.26	-	25.21	315.77	317.09	318.21	405.43	509.18 3/4	312.59 29/11	596.67 9/10/87	49.65 6/1/75
9 Motors (12)	290.67	-3.2	8.90	8.28	14.91	17.56	300.36	302.28	304.59	281.89	371.25 6/9	266.43 16/1	411.42 13/10/87	19.91 6/1/75
10 Other Industrial Materials (20)	1510.14	-0.7	7.96	5.43	14.93	58.79	1520.07	1522.54	1515.73	1244.56	1695.01 2/9	1147.76 16/1	1881.53 18/8/89	277.55 15/1/81
21 CONSUMER GROUP (190)	1523.04	.....	7.60	3.69	16.28	38.15	1522.43	1533.59	1545.80	1205.37	1607.13 14/11	1188.45 16/1	1607.13 14/11/91	61.41 13/12/74
22 Brewers and Distillers (22)	1860.36	.....	8.36	3.63	14.55	39.79	1860.12	1877.66	1894.06	1522.93	1964.41 12/11	1478.24 25/1	1964.41 12/11/91	69.47 13/12/74
25 Food Manufacturing (19)	1183.51	+0.4	9.71	4.27	12.71	33.08	1179.20	1184.47	1191.30	1007.75	1251.91 2/10	1013.60 16/1	1251.91 2/10/91	59.67 11/12/74
26 Food Retailing (17)	2400.89	+2.4	9.70	3.46	13.39	58.56	2345.16	2342.04	2335.25	2242.20	2854.91 2/5	2231.21 22/11	2854.91 2/5/91	54.25 11/12/74
27 Health and Household (23)	3911.45	+0.4	5.26	2.47	21.83	72.62	3897.63	3935.89	3983.23	2441.04	4257.72 14/11	2454.93 16/1	4257.72 14/11/91	175.38 28/5/80
29 Hotels and Leisure (24)	1262.41	-2.0	8.08	5.58	15.32	45.61	1287.91	1296.55	1314.51	1236.16	1405.62 2/9	1066.91 25/1	1845.77 8/9/89	54.83 9/1/75
30 Media (26)	1435.11	-0.4	7.33	4.95	17.83	47.66	1440.48	1435.80	1444.92	0.00	1565.67 20/9	1166.91 16/1	1565.67 20/9/91	1166.91 16/1/91
31 Packaging, Paper & Printing (17)	739.91	-0.2	7.30	4.49	16.61	24.43	741.77	738.36	737.36	513.16	788.41 9/9	486.96 16/1	788.41 9/9/91	43.46 6/1/75
34 Stores (32)	962.31	-0.9	7.80	3.85	16.82	26.74	971.53	988.03	995.81	809.10	1042.47 8/11	766.89 29/1	1160.58 29/7/87	52.63 6/1/75
35 Textiles (10)	601.25	-1.5	7.69	5.16	16.59	21.18	610.48	615.00	623.93	421.48	652.30 1/11	396.58 28/1	914.52 2/10/87	62.66 11/12/74
40 OTHER GROUPS (111)	1193.22	-0.4	10.01	5.50	12.61	38.39	1198.04	1200.49	1207.34	998.30	1330.48 2/10	961.05 16/1	1330.48 2/10/91	58.63 6/1/75
41 Business Services (12)	1369.77	-0.3	7.26	4.77	17.49	46.93	1373.62	1385.64	1384.50	0.00	1447.24 4/10	892.28 1/2	1447.24 4/10/91	892.28 1/2/91
42 Chemicals (21)	1386.06	+0.3	7.18	5.29	17.29	54.15	1381.36	1384.76	1392.69	1044.00	1520.52 2/9	1004.01 16/1	1545.46 5/10/87	71.20 1/12/74
43 Conglomerates (11)	1374.35	+0.2	10.51	7.63	11.53	38.95	1371.25	1399.83	1429.12	1289.55	1626.42 14/3	1217.37 16/1	1819.46 11/8/89	975.19 10/11/87
44 Transport (14)	2240.98	-1.7	5.69	5.03	23.19	79.12	2279.63	2291.94	2299.76	1826.65	2425.36 2/10	1730.87 23/1	2554.69 12/7/89	90.80 29/6/62
45 Electricity (16)	1152.41	-0.5	15.16	5.69	8.58	27.53	1158.08	1167.66	1175.64	0.00	1286.51 2/10	994.96 7/1	1286.51 2/10/91	994.96 7/1/91
46 Telephone Networks (4)	1433.42	-0.8	10.95	4.37	11.93	28.34	1445.07	1422.19	1419.26	1168.27	1658.67 2/10	1085.95 16/1	1658.67 2/10/91	517.92 30/11/84
47 Water (10)	2222.08	.....	18.94	7.07	5.83	131.43	2222.02	2240.53	2260.92	2123.64	2539.85 6/9	2134.83 16/1	2539.85 6/9/91	1820.20 1/5/90
48 Miscellaneous (23)	1749.80	-0.2	5.73	5.66	24.00	73.58	1752.94	1764.18	1778.38	1539.59	2033.42 15/8	1506.17 16/1	2087.06 11/7/89	60.39 6/7/75
49 INDUSTRIAL GROUP (481)	1223.48	-0.3	8.68	4.77	14.43	37.70	1227.62	1233.75	1242.38	1025.22	1326.09 6/9	991.97 16/1	1326.09 6/9/91	59.01 13/12/74
51 Oil & Gas (19)	2224.23	-0.9	11.62	6.31	11.38	104.27	2244.52	2269.10	2287.38	2376.16	2509.42 23/7	2101.45 21/1	2528.70 3/8/90	87.23 29/5/62
59 500 SHARE INDEX (500)	1310.63	-0.4	9.02	4.96	14.00	42.97	1315.94	1323.45	1332.87	1135.69	1424.90 2/9	1092.04 16/1	1424.90 2/9/91	63.49 13/12/74
61 FINANCIAL GROUP (91)	719.50	-0.9	-	6.48	-	33.01	726.33	737.52	748.81	717.30	859.94 15/3	667.36 16/1	896.67 13/10/87	55.88 13/12/74
62 Banks (9)	836.08	-0.4	4.77	6.35	41.10	37.46	839.16	857.88	879.47	760.45	990.15 6/9	695.08 15/1	990.15 6/9/91	62.44 12/12/74
65 Insurance (Life) (7)	1435.04	-1.1	-	5.90	-	63.68	1451.66	1456.25	1458.16	1316.40	1632.53 4/9	1220.74 16/1	1632.53 4/9/91	44.88 2/1/75
66 Insurance (Composite) (6)	502.77	-2.2	-	8.73	-	32.94	514.08	531.58	541.77	633.81	728.27 15/3	502.77 29/11	768.11 29/12/89	43.96 13/12/74
67 Insurance (Brokers) (10)	996.02	+0.9	8.20	6.72	16.05	49.14	987.51	989.49	1009.63	973.49	1202.38 5/4	932.88 23/1	1399.56 17/7/87	65.86 16/12/74
68 Merchant Banks (7)	468.97	.....	-	4.59	-	14.84	469.12	471.22	468.73	353.70	498.05 15/11	327.70 16/1	547.59 12/10/87	31.21 7/1/75
69 Property (35)	848.52	-2.1	6.40	5.53	22.15	28.81	866.49	867.83	871.70	959.31	1087.65 15/3	848.52 29/11	1398.87 5/9/89	56.01 20/4/65
70 Other Financial (17)	237.07	-0.5	11.87	7.31	10.57	11.85	238.26	238.88	240.01	246.65	298.63 15/3	236.37 16/1	603.48 16/7/87	33.29 17/12/74
71 Investment Trusts (70)	1139.93	-0.9	-	3.79	-	30.42	1150.32	1167.28	1172.67	1002.98	1261.80 6/9	947.19 16/1	1323.81 4/1/90	71.12 13/12/74
99 ALL-SHARE INDEX (661)	1168.95	-0.5	-	5.11	-	40.06	1174.63	1183.03	1192.58	1032.11	1284.07 6/9	987.46 16/1	1284.07 6/9/91	61.92 13/12/74

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Nov 28	Nov 27	Nov 26	Nov 25	Nov 22	Year ago	1991 High	1991 Low	Since Compilation High	Since Compilation Low
FT-SE 100 SHARE INDEX‡	2420.2	-8.4	2439.2	2405.6	2428.6	2447.5	2471.5	2456.2	2446.3	2149.4	2679.6 2/9	2054.8 16/1	2679.6 2/9/91	986.9 23/7/84

FIXED INTEREST

PRICE INDICES	Fri Nov 29	Day's change %	Thu Nov 28	Accrued Interest	xd adj. 1991 to date
British Government					
1 Up to 5 years (28)	121.96	+0.21	121.71	2.31	10.75
2 5-15 years (27)	134.14	+0.41	133.59	2.86	11.84
3 Over 15 years (8)	142.33	+0.61	141.46	2.75	11.50
4 Irredeemables (6)	155.60	+0.75	154.44	1.27	13.45
5 All stocks (69)	132.60	+0.36	132.12	2.68	11.60
Index-Linked					
6 Up to 5 years (2)	167.32	+0.09	167.17	0.62	3.16
7 Over 5 years (9)	148.86	-0.01	148.87	1.15	3.83
8 All stocks (11)	150.27	....	150.27	1.07	3.81
9 Debs & Loans (68)	111.59	+0.54	111.03	1.45	10.59

AVERAGE GROSS REDEMPTION YIELDS		Fri Nov 29	Thu Nov 28	Year ago (approx.)	1991 High	1991 Low
British Government						
1 Low	5 years	8.85	8.91	9.51	10.14 16/1	8.42 12/11
2 Coupons	15 years	9.60	9.67	10.24	10.24 2/1	9.24 18/9
3 (0%-7¾%)	20 years	9.60	9.67	10.28	10.26 2/1	9.24 18/9
4 Medium	5 years	9.94	10.01	10.89	11.15 2/1	9.56 20/9
5 Coupons	15 years	9.75	9.80	10.66	10.62 2/1	9.41 20/9
6 (8%-10¾%)	20 years	9.69	9.75	10.58	10.50 2/1	9.35 18/9
7 High	5 years	10.16	10.22	11.02	11.25 2/1	9.75 20/9
8 Coupons	15 years	9.84	9.90	10.85	10.80 2/1	9.50 18/9
9 (11%-)	20 years	9.75	9.81	10.79	10.67 2/1	9.41 18/9
10 Irredeemables	†	9.79	9.86	10.47	10.48 31/12	9.43 18/9
Index-Linked						
11 Inflation rate 5%	Up to 5yrs.	3.87	3.88	3.78	4.48 15/7	3.59 18/1
12 Inflation rate 5%	Over 5 yrs.	4.30	4.29	4.17	4.40 1/8	4.09 18/2
13 Inflation rate 10%	Up to 5 yrs.	3.24	3.24	2.52	3.60 9/7	2.13 21/2
14 Inflation rate 10%	Over 5 yrs.	4.12	4.11	3.99	4.22 15/8	3.90 12/4
15 Debs &	5 years	11.47	11.58	12.70	12.63 9/1	11.08 25/9
16 Loans	15 years	11.30	11.38	12.45	12.38 18/1	10.84 23/9
17	25 years	11.12	11.19	12.22	12.16 18/1	10.66 23/9

‡Opening Index 2428.9; 9 am 2438.7; 10 am 2426.7; 11 am 2409.0; Noon 2412.4; 1 pm 2413.9; 2 pm 2413.8; 2.30 pm 2415.8; 3 pm 2413.8; 4.10 pm 2420.2; (a) 9.01am (b) 10.49am

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Business Services	31/12/90	999.65	Telephone Networks	30/11/84	517.92	Food Manufacturing	29/12/67	114.13
Electricity	31/12/90	999.65	Electronics	30/12/83	1646.65	Food Retailing	29/12/67	114.13
Media	31/12/90	1228.68	Other Industrial Materials	31/12/80	287.41	Insurance Brokers	29/12/67	96.67
Engineering - Aerospace	29/12/89	486.00	Health/Household Products	30/12/77	261.77	All Other	10/4/62	100.00
Engineering - General	29/12/89	486.00	Other Groups	31/12/74	63.75	British Government	31/12/75	100.00
Water	29/12/89	1968.45	Industrial Group	31/12/70	128.20	Do. Index-linked	30/4/82	100.00
Conglomerates	31/12/86	1114.07	Other Financial	31/12/70	128.06	Debs & Loans	31/12/77	100.00

† Flat yield. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL. The FT-ACTUARIES SHARE INDICES SERVICE covers a range of electronic and paper-based products relating to these indices. Tel: 071-702 0991. CONSTITUENT CHANGES; ADDITION; Davies & Newman (44); DELETION; Hawker Siddeley (4); (26/11/91).

LONDON TRADED OPTIONS

Option		Calls Jan	Calls Apr	Calls Jul	Puts Jan	Puts Apr	Puts Jul
Alld Lyons (*585)	550	41½	62½	68½	8½	16	25½
	600	15	35	42½	31½	39½	49½
	650	4	18	26	70½	75½	81½
ASDA (*39)	34	7	9½	-	1¼	2¾	-
	40	-	-	8	-	-	6
	43	2½	5	-	5¾	8½	-
Brit. Airways (*205)	180	28½	35½	38½	1½	5	9
	200	15	23½	26½	6	11	16½
	220	4	14	16	17½	21½	26½
SmKl Beecham A (*757)	700	67½	87½	103	4½	11½	18
	750	33½	55½	73½	19	27½	33½
	800	13½	33½	47½	47½	52½	58½
Boots (*410)	390	27½	43	49	5	8	13½
	420	10½	24	30	16	22	27½
	460	2¼	9¾	13½	52	50½	51
B.P. (*302)	300	12	18	21½	7¼	12¼	15
	330	1¾	5¾	9½	28½	32	33½
British Steel (*73)	70	5	8	9	3½	4¼	7
	80	2½	4½	5½	8	11	13
Bass (*936)	900	37½	59½	72½	19	28	36½
	950	13½	34½	47½	50½	56½	66
C & Wire (*544)	500	50½	65½	76	4½	11	16
	550	15	34½	44½	23	31	35½
Courtaulds (*463)	460	22	39	45	12	17½	23
	500	6	20	27	37	39	43
Com. Union (*428)	420	21	28½	35	9½	20	20½
	460	6	13	19	32½	45½	47½
Fisons (*385)	360	33	42	51	2½	8½	11
	390	13½	23	33	14	21	22
GKN (*291)	300	9½	15½	20½	14½	27½	32
	330	2	7	11½	40	50½	52½
Grand Met. (*823)	800	40½	59½	81½	18	27½	31½
	850	14½	34½	55½	45½	54½	59½
I.C.I. (*1208)	1200	50½	71½	93½	27½	58½	63½
	1250	25½	46½	71½	55	88½	93½
Kingfisher (*491)	460	39½	-	-	4	-	-
	500	16	32½	39½	17½	27	29½
Ladbroke (*236)	230	13½	22	-	6	10½	-
	240	-	-	21	-	-	17½
Land Secs (*483)	460	32½	45½	50½	3¼	7½	13½
	500	9½	22	25½	20	23	32
M & S (*277)	260	21	30½	33½	1¼	4½	7¼
	280	10	18½	22½	11	12½	16½
Salisbury (*346)	330	-	32	35½	-	7	9
	356	8½	-	-	15½	-	-
Shell Trans. (*486)	460	34½	40½	48½	3	10½	12½
	500	10½	16½	25½	18	29½	32½
Storehouse (*98)	90	9½	13	14½	4	5	7½
	100	3	8	9½	9	11	12
Trafalgar (*210)	200	-	20	23	-	12½	22
	211	8	-	-	16	-	-
Utd. Biscuits (*375)	360	23	32½	37	5	11½	14½
	390	8½	15½	22	20	26½	29½
Unilever (*828)	800	47½	64½	78½	9½	21	25½
	850	14	35½	50½	30½	44½	48½
Ultramar (*311)	300	23½	31½	42½	10	16	15
	330	9	15	20	22½	30½	31½

Option		Calls Feb	Calls May	Calls Aug	Puts Feb	Puts May	Puts Aug
Brit Aero (*321)	300	37	38½	41½	7½	17½	20½
	330	19	23	26½	31½	32½	35½
BAA (*492)	460	49½	61	67½	7	11½	15
	500	21	37	42½	22½	28	33
BAT Inds (*616)	600	38½	49½	53½	15	23	30½
	650	12½	27	30½	34½	46½	55½
BTR (*386)	360	36½	41½	49½	4½	10½	13½
	390	17	23½	32	15	22	26
Brit. Telecom (*353)	330	28½	38½	44½	6	10	14
	360	11½	20½	27½	19½	23½	26½
Cadbury Sch (*406)	390	34½	40½	51½	9½	18	22
	420	18	27	35½	22½	31½	35½
Eastern Elec (*228)	220	-	-	22½	-	-	13½
	230	8	12	-	11½	13½	-
Guinness (*492)	475	34½	44½	-	8½	14½	-
	500	20½	29½	42½	17½	26	29
GEC (*181)	180	7¼	13	15	7	8¾	11½
	200	1½	5½	7	22	23	25
Hanson (*200)	200	6½	11¼	14	13	14¼	16
	220	1½	4¾	7	30	31	31½
LASMO (*272)	280	15½	21½	27	18½	29½	31
	300	9½	14½	19	32½	42½	42½
Lucas Inds (*112)	110	8½	11½	13½	5	8½	9½
	120	4	7	9½	10½	13½	14½
P & O. (*440)	460	-	22	29½	-	41½	45
	472	12½	-	-	39½	-	-
Pilkington (*122)	120	10	15	15½	8	10	13
	130	6	10	11½	13½	15½	18½
Prudential (*234)	220	23½	25½	29½	4¼	9½	11½
	240	11	14½	19½	12	19½	20½
Racal (*54)	51	5½	-	-	1¾	-	-
	60	1½	-	-	7	-	-
R.T.Z. (*513)	500	34½	45½	52½	12	23	28½
	550	12	21½	29½	39½	49	55½
Scot. & New (*397)	390	20	32	38½	13½	16½	24
	420	8	18½	24	32½	34½	40½
Tesco (*237)	220	24	27½	31½	3	6	7½
	240	11	15½	21½	10½	13½	14½
Thames Water (*335)	330	20	27	31	7½	12½	16½
	350	9½	-	-	17	-	-
Vodafone (*355)	330	33½	46	51	7	11	14
	360	15½	28	35	18½	22½	26

Option		Calls Dec	Calls Mar	Calls Jun	Puts Dec	Puts Mar	Puts Jun
Abbey Nat. (*269)	260	11	21	24½	2¼	9	11
	280	2¼	9½	13½	12½	19½	20
Amstrad (*29)	30	2¼	4	5½	2¾	4¾	6½
	35	1	2¾	4¼	6½	8¾	10
Barclays (*367)	360	13½	24½	30	4	16½	19½
	390	2½	10½	17½	24½	36½	37½
Blue Circle (*210)	200	12	20½	25	1¾	6	10
	220	1¾	10	13	10½	14½	20½
British Gas (*239)	220	19½	23½	-	1	4	-
	240	4¾	11	14½	5	11½	15
Dixons (*210)	200	11½	19	-	3½	6	-
	220	1¾	9½	16½	13	15½	17
Eurotunnel (*393)	390	14	37	51	11¼	24½	38½
	420	6	23½	35½	31½	43	49
Glaxo (*762)	750	27½	60	81½	12½	34½	40½
	800	8½	36½	58½	42½	56½	63½
Hawker Sidd. (*735)	700	35	50	57½	½	6	12½
	750	4½	12½	17½	12½	20	25
Hillsdown (*171)	160	11½	17½	21	1¼	3½	8
	177	-	8½	-	-	11½	-
Lonrho (*222)	220	7	11½	15½	5	16¼	19½
	240	2½	4½	9	19½	31	34
Midland Bk (*214)	200	17	27	32½	1¾	6	8
	220	5½	14½	22	8	15½	16½
National Power (*139)	130	10½	13	-	½	4¾	-
	140	3¼	6¾	11½	4¾	8	9½
Reuters (*905)	900	25½	61½	85	17	40½	53½
	950	7	37½	61½	50	70	78½
R. Royce (*124)	130	2¼	6	7½	6½	13	14
	140	½	2½	4¾	17	22	23½
Scottish Power (*100)	100	2½	6	10	2¾	6½	8
	110	¼	6½	6½	10	14	14½
Sears (*97)	90	7½	11½	14½	1	3	6
	100	1¾	7	8	5	8	10
Forte (*240)	240	6	15½	23	5	10	14½
	260	1¾	8	13½	21	21	24
Thorn EMI (*770)	750	29½	46½	66½	4½	17	23
	800	4½	21½	40	30½	44½	49
TSB (*121)	120	4½	8½	10½	2¼	7	8
	130	1¼	4¼	7½	9½	13½	15½
Vaal Reefs (*568)	60	8½	11½	16	¾	3	5
	70	3	6½	8½	3½	7¼	9½
Wellcome (*836)	800	44½	83½	106	8½	26½	37½
	850	17½	53½	81½	31	46½	56½

EURO FT-SE INDEX (*2420)

	2375	2425	2475	2525	2575	2625	2675	2725
CALLS								
Nov	45	½	½	½	½	½	½	½
Dec	84½	54	28½	15	5½	3	1	½
Jan	-	82½	-	35½	-	12	-	3½
Mar	-	127	-	71½	-	37	-	16
Jun	-	167	-	110	-	67½	-	40
Sep	-	190	-	145	-	95	-	70
PUTS								
Nov	½	5	55	105	155	205	255	305
Dec	27	42	66½	100	140	186	235	285
Jan	-	60½	-	109	-	184	-	273
Mar	-	75½	-	120	-	184	-	259
Jun	-	95	-	135	-	185	-	252
Sep	-	100	-	137	-	187	-	240

FT-SE EUROTRACK 100 INDEX (*1063)

	1050	1075	1100	1125	1150	1175	1200	
CALLS								
Dec	30	11½	3½	1	½	½	½	-
Mar	70	52	35	20	11½	7½	3½	-
PUTS								
Dec	7½	18	30	52	75	100	125	-
Mar	19	28	30	49	63	80	100	-

FT-SE INDEX (*2420)

	2400	2450	2500	2550	2600	2650	2700	2750
CALLS								
Nov	20	½	½	½	½	½	½	½
Dec	69½	41	21½	11	4½	2	1	½
Jan	100	68½	45½	27½	15½	8½	4½	2½
Feb	120	90½	65½	44	28½	17	10½	6
Jun †	190	-	132	-	87	-	52	-
PUTS								
Nov	½	30	80	130	180	230	280	330
Dec	35	57½	90½	134	183	233	283	333
Jan	51½	72	101	138	183	233	283	333
Feb	63	83	109	143	183	233	283	333
Jun †	96½	-	140	-	202	-	387	-

November 29 Total Contracts 32,349
Calls 15,147 Puts 17,202
FT-SE Index Calls 4,425 Puts 5,682
Euro FT-SE Calls 130 Puts 1,496
Eurotrack 100 Index Calls 0 Puts 0
*Underlying security price. † Long dated expiry mnths
Premiums shown are based on middle prices

TRADITIONAL OPTION 3-month call rates

■ INDUSTRIALS	p	Charter Cons.	42	ICI	95	Reed Intl	35	MEPC	42
Allied-Lyons	50	Comm Union	40	Ladbroke	21	Sears	8½	Mountleigh	4
Amstrad	6	Courtaulds	38	Legal & Gen	33	SmKl Bchm A	53	■ OILS	
Astec (BSR)	5	Eurotunnel	50	Lex Service	16	TI	39	Aviva Pet	3
BAT Inds	53	FKI	5	Lloyds Bank	30	TSB	11	BP	26
BOC	48	FNFC	10	Lonhro	20	Tesco	21	Burmah Castrol	47
BTR	33	Forte	21	Lucas Inds	12	Thorn EMI	65	Conroy Pet	8
Barclays	34	GKN	28	Marks Spencer	21	T & N	14	Gaelic Res	1
Blue Circle	20	Gen Accident	43	Midland Bank	20	Unilever	60	Premier Cons	4
Boots	33	GEC	16	NatWest Bank	26	Vickers	16	Shell	40
Bowater	55	Glaxo	110	P & O Dfd	41	Wellcome	60	Tuskar Res	1
Brit Aerospace	35	Grand Met	67	Racal Elect	8	■ PROPERTY		Ultramar	20
British Steel	10	GRE	14	RHM	23	Brit Land	27	■ MINES	
Brit Telecom	33	Hanson	17	Rank Org	55	Control Sec.	2	RTZ	46
Cadburys	35	Hawker Sidd	55	Ratners	12	Land Sec.	41		

German bank takes stake in Italy's biggest broker

By David Waller in Frankfurt

BERLIN Handels-und Frankfurter Bank, the Frankfurt-based merchant bank, is expanding its European network by taking stakes in Italy's biggest stockbroker and a Dutch merchant bank.

It is buying a "small" shareholding in Pastorino & Partners, an Italian share- and bond-broker based in Genoa and Milan in which Banca Del Gottardo is a sizeable shareholder.

BHF is also taking a minority stake in Halder Holdings, an investment company based in The Hague.

These investments were announced yesterday as BHF gave details of a near 16 per cent increase in group partial operating profits for the 10 months to October, 1991. The figure rose from DM198m ($122.9m) to DM229m, reflecting what the bank described as a "lively" increase in credit demand and smaller write-offs compared with the same period last year.

Mr Klaus Subjetski, managing partner, said the investment in the Italian operation offered "interesting perspectives", adding that Pastorino employed about 90 people and had a bond and share turnover of DM25bn.

The cost of the investment and the size of the stake were not disclosed. BHF has a representative office in Milan already, and is keen to develop contacts with medium-sized Italian corporates, as well as cross-border M&A business between Italy and Germany.

Mr Subjetski said the investment in Halder would help the bank expand its business in corporate investments across Europe.

Reflecting on the outlook for next year, the bank said it anticipated further development of business.

In the 10 months, interest income for the parent company bank rose by just under one-fifth to DM362m, while group income climbed from DM369m to DM440m. Net commission earnings for the group rose from DM202m to DM216m.

Olivetti unveils divisional shake-up

By Robert Graham in Rome and Haig Simonian in Milan

OLIVETTI, the Italian computers and office equipment group, yesterday announced a radical restructuring barely three weeks after Mr Carlo De Benedetti resumed direct control.

The changes mean the virtual disappearance of the partly-overlapping divisions for product groups set up in 1989 by Mr Vittorio Cassoni when he became managing director.

Mr De Benedetti has created a slimmed-down team flanked by three close aides: Mr Elserino Piol, Mr Ernesto Musmeci, and Mr Danieli Mosca. They will manage new divisions covering, respectively, operations, diversified activities and public administration.

These largely replace Olivetti Office, Olivetti Systems and Networks (OSN), and the company's technologies group, three of the four autonomous divisions created by Mr Cassoni. The fourth, Olivetti Information Services, will be left largely intact.

The company attributed the sweeping changes to the crisis in the world information technology market and the fact that no turnround was in sight. It said the changes would "streamline decision-making". However, "elements" of the previous structure would be retained.

Together, Olivetti Office, responsible for office automation equipment and personal computers, and OSN, which handles more powerful and complex systems, account for around 90 per cent of the group's sales.

The group had earlier seen a half-year loss of L73.7bn ($60.5m) against profits of L60.9bn during the same period of 1990.

The new structure seems to bypass Mr Vittorio Cassoni further. The three new division heads will report directly to Mr De Benedetti.

The operations division will be composed of two industrial branches – information technology and office – responsible for the development of products.

The commercial organisation under this division will be divided into five geographical areas: Italy, Europe, central and eastern Europe, Latin America, the US and Australia, and the rest of the world.

The diversified activities division will co-ordinate the group's business plan, manage corporate development, and oversee subsidiaries.

The public administration division will co-ordinate the development of Olivetti's presence in the Italian public sector.

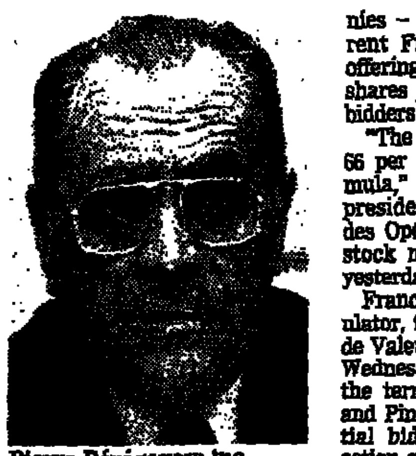
Béregovoy hints at takeover reform

By William Dawkins in Paris

MR PIERRE Bérégovoy, the French finance minister, has hinted at plans to reform France's two-year-old takeover rules, to give better protection to minority shareholders.

Mr Bérégovoy admitted that he was "concerned" over an increasingly criticised takeover rule which obliges investors who buy more than 33.33 per cent of a company's capital to launch a bid for only two-thirds of the equity.

This comes in the wake of two large bids, by the Agnelli family for Exor, the holding company which controls Source Perrier, and by Pinault, the timber-to-furniture retailing group, for Au Printemps, owner of the Parisian department store.



Pierre Bérégovoy: 'no consensus on the issue'

In both cases, minority investors and stock market professionals have criticised the bidders for only offering to buy 66 per cent of the companies – as permitted under current French law – and not offering to buy all outstanding shares at the same price, as bidders have to in the UK.

"The OPA [public offer] for 66 per cent is a perverse formula," Mr Jean Saint-Geours, president of the Commission des Opérations de Bourse, the stock market watchdog, said yesterday.

France's stock exchange regulator, the Conseil des Bourses de Valeurs (CBV), will meet on Wednesday to decide whether the terms of the Agnelli-Exor and Pinault-Au Printemps partial bids are acceptable. An action group of minority shareholders in Au Printemps yesterday warned they would take legal action if the CBV did not demand a full bid for the stores group.

France's system, introduced in autumn 1989, contrasts with the UK rule that an investor buying 30 per cent of a company's shares must bid for 100 per cent. The European Commission has proposed the British model for adoption across the European Community, in its long-deadlocked draft directive to harmonise takeover law.

"There is no consensus on the issue today, but a change in the regulations cannot be excluded in the months or years to come," said Mr Bérégovoy. The key was to ensure equality between bidders and the defence and to avoid covert changes of control, he said. It was essential, however, to seek a consensus between the CBV and quoted companies before considering any change.

Nestlé bids for rest of Vittel

By Ian Rodger in Zurich

NESTLE has launched a full bid for the shares of French mineral water company Société Générale des Eaux Minérales de Vittel that it does not already hold.

The Swiss food group has had majority control of Vittel, one of the top four French mineral water brands, since 1986, and now has 52.49 per cent of the company's capital and 56.47 per cent of the voting rights.

A Nestlé official said the bid for the remainder was provoked by the decision of the founding Bouloumié family to sell their remaining shares, representing approximately 22 per cent of the shares. "It seemed the decent thing to offer to buy the rest," he said.

It was a pure coincidence that the bid was launched only a day after news that an Italian company controlled by the Agnelli family was trying to take control of Exor, the parent company of Source Perrier.

Nestlé is offering FFr953 ($172.6) a share for the shares traded on the Paris cash market it does not hold. The shares were quoted Thursday on the Paris cash market at FFr714.

In addition, Nestle is bidding FFr476.50 a share for Vittel shares traded on the over-the-counter market in Nancy. A Vittel executive said there were 245,600 such shares in circulation.

Vittel accounts for more than 50 per cent of the mineral water sold in French restaurants and bars, the executive said. The company reported turnover of FFr2.08bn and net attributable profits of FFr119m ($21.6m) for 1990.

Other than its main business of bottled mineral water, it owns some soft drinks brands, including the Ricqles brand, and some beauty products.

It also owns hotels, sporting facilities and the casino in the town of Vittel in northeastern France.

BAT defends Australian interest

By Mark Westfield in Sydney

BAT INDUSTRIES has said it will not sell its 67 per cent controlling stake in Australian cigarette-maker, WD & HO Wills Holdings, after corporate raider Brierley Investments Limited (BIL) revealed it had bought 6.7 per cent.

The UK conglomerate has announced a management shake-up, with changes to the board of Wills, a day after BIL declared its hand.

Wills has performed poorly since it was split from Coca Cola Amatil, the drinks, snack foods and tobacco group, in 1989.

Its shares jumped 11 cents on Thursday on the news of BIL's appearance in the register, but retreated the same amount to A$2.10 yesterday when BAT said it was not the seller.

BIL has said it expected to be a "catalyst" in Wills ahead of the inevitable shake-up of the Australian tobacco industry, characterised by intense competition between Wills and its larger rivals, Rothmans Holdings and Philip Morris.

Mr Barry Bramley, BAT chairman, announced yesterday the appointment of Mr Tony Johnston from BAT in the UK as the new Wills chief executive when incumbent Mr Gordon Watson retires next month.

Mr Bramley said the appointment of Mr Johnston demonstrated VAT's commitment to Wills. Mr Johnston has been chief executive of BAT's carbonless paper subsidiary in Europe, Arjo Wiggins Teape.

Wills finance director Mr John is due to take up a position soon with BAT in the UK, and will be replaced by Mr Peter Brooks, finance director with BAT's Malaysian subsidiary.

Wills spokesman, Mr George Symmes, said BAT had demonstrated its support by investing in its group offices, equipment and staff.

"I believe we're here for the long haul," he said. Wills was slowly regaining market share it had lost to its rivals during this year with a new 15-cigarette pack, he said.

SA Brewing warns on proposed US acquisition

By Kevin Brown in Sydney

SA BREWING, the Adelaide brewing and industrial group, yesterday said it would abandon its proposed acquisition of Mor-Flo Industries, a US water-heater maker, unless Washington gave regulatory approval quickly.

SA Brewing announced the US$31.6m acquisition in May with a timetable for completion in August. However, the acquisition has been delayed by the US Justice Department, which is considering the deal.

Mr Ross Wilson, chief executive, said SA Brewing was "frustrated" by the delay, and would abandon the deal unless regulatory approval was given before the end of December.

"We made a very good offer for the shares, and it makes common sense for it to go ahead, from the point of view of our company, from the point of view of the Mor-Flo shareholders, and also from the point of view of the US consumer," he said.

The acquisition of Mor-Flo, of Ohio, would give SA Brewing 30 per cent of the US water-heater market, which accounts for 7.6m units a year. The group bought Bradford-White Corporation of Michigan in 1985.

Earlier, Mr Rick Allert, chairman, told the annual meeting that SA Brewing's first-quarter net profits would be higher than last year, but warned that economic recovery in Australia was months away.

SA Brewing reported a 15 per cent increase in net profits to A$101m (US$79.5m) for the year to the end of June. It has since launched a cost-cutting campaign.

Alcatel makes offer to German unit's investors

ALCATEL Alsthom, the French telecommunications, electronics, and transportation conglomerate, is offering shareholders of its German SEL subsidiary the chance to exchange their shares for those of the parent company, plus a cash payment, or simply a cash payment, AP-DJ reports.

Alcatel said it would offer two Alcatel Alsthom shares plus DM130 in cash, or DM435, for each SEL share.

The Alcatel Alsthom group already owns 86 per cent of the SEL subsidiary.

It said the move followed a trend within the company for units to co-operate on commercial and technological matters, spurred by a rise in research and development costs and the need to prepare for the liberalisation of European communications markets.

It described the operation as "representing the financial aspect of greater co-operation among the group's companies".

Downturn in profits at Toronto-Dominion Bank

By Robert Gibbens in Montreal

TORONTO-DOMINION Bank, Canada's fifth largest bank, recorded lower earnings for the fourth quarter and fiscal year ended October 31, after making higher loan loss provisions.

But the sixth largest, National Bank of Canada, managed to lift earnings. Retail business, fee income and brokerage operations were strong, while loan loss provisions were up modestly.

Toronto-Dominion posted a fourth-quarter profit of C$120.7m (US$107m) or 37 cents a share, compared with C$125.2m or 37 cents a year earlier.

The loan loss provision was C$125m against C$107m last time.

Profit for the year amounted to C$497.4m or C$1.51 a share, down from C$595.6m or C$1.80 a year earlier.

The loan loss provision was C$485m against C$353m.

Total assets at October 31 were C$69bn against C$67bn a year earlier.

The results were in line with most analysts' predictions.

National Bank of Canada's fourth-quarter profit was C$41.3m or 26 cents a share, up from C$17.2m or 7 cents a year earlier. The bank said the gain came partly from lower interest rates.

For fiscal 1991, profit totalled C$186m or C$1.20 a share, up from C$170.3m or C$1.12 a year earlier.

Return on average assets was 0.51 per cent against 0.47 per cent. The loan loss provision was C$270m against C$249m.

Third World loans were C$606m, down sharply because of secondary market sales.

Total assets at October 31 amounted to C$36.5bn, an increase of C$500m from a year earlier.

Sabena wins interim BFr3bn loan

By Andrew Hill in Brussels

SABENA, Belgium's ailing state-owned airline, has been awarded a BFr3bn ($90m) loan to tide it over until the government can decide whether to allow a link-up with Air France.

Agreement with Air France should be a formality, but had to be put on ice when Belgium's centre-left government collapsed last month.

The weekend's general election, in which all partners in the last government saw losses, has left Belgian politics in confusion. It could be weeks or even months before a new coalition is formed.

To support Sabena during that period, the caretaker government yesterday approved a bridging loan, as promised earlier in the month by Mr Jean-Luc Dehaene, the communications minister.

The government said all or part of the loan might eventually be converted into a capital injection.

Such a subsidy would be almost certain to attract the attention of the European Commission, which last week approved a FFr2bn ($360m) cash injection for Air France, but only on condition that further aid would be subject to tight restrictions.

Cash talks fail at Dutch drugs group

MEDICOPHARMA, the troubled Dutch pharmaceuticals wholesaler, said yesterday that plans for a Fl 60m ($33m) capital injection from German pharmaceuticals wholesaler Ferd Schulze had fallen through, forcing it to apply to the court for protection from creditors, writes Ronald van de Krol in Amsterdam.

Under the deal announced earlier this month, Schulze was to have received a stake of more than 55 per cent in Medicopharma in return for its investment.

However, Medicopharma said yesterday that Schulze had broken off talks on the move. It added that it had tried to find another "strategic partner" to replace the Germans, but had been unsuccessful.

A court in the Dutch town of Haarlem provisionally granted the company an immediate suspension of payments to creditors yesterday. Trading in Medicopharma's shares has been suspended on the Amsterdam Stock Exchange since Tuesday.

Medicopharma said it faced large losses, a liquidity crisis and poor prospects.

WORLD COMMODITIES PRICES

WEEKLY PRICE CHANGES	Latest prices	Change on week	Year ago	High 1991	Low 1991
Gold per troy oz.	$366.35	-2.1	$384.75	$392.25	$353.55
Silver Per troy oz	230.80p	-0.35	210.95p	280.55	183.35p
Aluminium 99.7% (cash)	$1106	-8.5	$1510	$1570	$1099.5
Copper Grade A (cash)	£1312.5	-4.5	£1273	£1472	£1241.0
Lead(cash)	£292	+6.5	£340	£382.5	£282.75
Nickel (cash)	$7130	+40	$8375	$9237.5	$7090.0
Zinc SHG (cash)	$1208	+26	$1236.5	$1430	$990.25
Tin (cash)	$5465	-65	$5940	$5915	$5465
Cocoa Futures (Mar)	£763	+4	£730	£824	£598
Coffee Futures (Jan)	£619	+21	£630	£619	£492
Sugar (LDP Raw)	$227.5	+9.6	$257.6	$293	$194
Barley Futures (Mar)	£122.95	+1.10	£120.45	£122.95	£107.75
Wheat Futures (Mar)	£128.50	+1.30	£124.20	£141.10	£111.80
Cotton Outlook A Index	61.95c	-1.05	82.40c	86.25c	61.95c
Wool (64s Super)	397p	-1.0	408p	421p	329p
Oil (Brent Blend)	$20.25x	+0.025	$29.85	$29.15	$18.75

Per tonne unless otherwise stated. †Unquoted. p-pence/kg. c-cents lb. x-Jan

London Markets

SPOT MARKETS		
Crude oil (per barrel FOB)		+ or -
Dubai	$17.15-7.25	+0.05
Brent Blend (dated)	$19.95-20.05	+0.05
Brent Blend (Jan)	$20.20-0.30	+.075
W.T.I. (1 pm est)	$21.65-1.70	+0.50
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$225-227	
Gas Oil	$195-196	-1.5
Heavy Fuel Oil	$82-83	
Naphtha	$198-201	-3
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$366.35	+0.30
Silver (per troy oz)♣	407.0c	-3.0
Platinum (per troy oz)	$369.00	-0.75
Palladium (per troy oz)	$83.75	-1.1
Copper (US Producer)	108.5c	-0.55
Lead (US Producer)	37.0c	
Tin (Kuala Lumpur market)	14.60r	+.05
Tin (New York)	N/A	
Zinc (US Prime Western)	62.0c	
Cattle (live weight)†	104.03p	-2.60*
Sheep (dead weight)†	152.43p	+7.23*
Pigs (live weight)†	83.19p	+1.86*
London daily sugar (raw)	$227.5x	+1.0
London daily sugar (white)	$279.5x	+1.5
Tate and Lyle export price	£238.0	+2.0
Barley (English feed)	£125.5u	
Maize (US No. 3 yellow)	£145.5	+0.5
Wheat (US Dark Northern)	£101.0	
Rubber (Jan)♥	51.25p	+0.25
Rubber (Feb)♥	51.50p	+0.25
Rubber (KL RSS No 1 Dec)	220.0m	
Coconut oil (Philippines)§	$505.0y	
Palm Oil (Malaysian)§	$390.0x	
Copra (Philippines)§	$367.5z	
Soyabeans (US)	£151.0	+0.5
Cotton "A" index	61.95c	
Wooltops (64s Super)	397p	-1

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. q-Jan t-Sep/Dec u-Jan/Mar x-Nov/Dec y-Jan/Feb z-Dec. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg.

SUGAR – London FOX ($ per tonne)			
Raw	Close	Previous	High/Low
Dec	195.00	188.00	195.00
Mar	192.80	193.00	193.00 192.80
May	192.80	192.80	192.80
Aug	197.80	197.80	195.00
Oct	197.80	197.00	193.00
White	Close	Previous	High/Low
Mar	280.5	279.3	280.5 279.4
May	281.5		280.8
Aug	285.5		284.0 283.5

Turnover: Raw 117 (182) lots of 50 tonnes. White 68 (45)

Paris- White (FFr per tonne): Mar 1584.83, May 1601.78

CRUDE OIL – IPE $/barrel	Latest	Previous	High/Low
Jan	20.25	20.19	20.39 20.18
Feb	20.12	20.04	20.20 20.05
Mar	19.96	19.87	20.00 19.89
IPE Index	20.27	19.94	

Turnover 14,000 (7821)

GAS OIL – IPE $/tonne	Close	Previous	High/Low
Dec	195.00	195.50	197.00 194.25
Jan	195.75	197.00	198.50 195.50
Feb	193.25	194.50	196.50 193.25
Mar	188.50	189.75	191.00 188.50
Apr	183.00	184.00	185.50 183.00
May	177.50	178.75	179.75 177.50
Jun	175.00	174.75	175.00
Jul	177.00	176.75	177.50 177.00
Aug	180.00	182.00	182.00 179.00

Turnover 13,846 (10423) lots of 100 tonnes

SPICES

Nutmeg and mace prices remain stable, with shipment quotations from Indonesia at US$2,000 for abcd grade nutmegs, $1,350 a tonne for shrivels, $750 for bwp and $2,000 for grade 2 broken mace, reports Man Producten. Grenadian and West Indian nutmegs and mace prices are unchanged. Indonesian cassia is also unchanged, but with a steady undertone. Chinese cassia is unquoted, with limited availability. Madagascan cinnamon prices are firmer, reflecting increased demand. Spot supplies are hardly available and shipment quotations have increased. Seychelles cinnamon bark is quoted at $1,350 a tonne.

COCOA – London FOX £/tonne	Close	Previous	High/Low
Dec	718	722	720 716
Mar	763	764	764 760
May	785	787	787 785
Jul	810	811	811 809
Sep	832	835	831 830
Dec	858	862	862 858
Mar	886	889	888 884
May	903		902
Sep	934	937	934 933

Turnover: 5525 (3825) lots of 10 tonnes

ICCO indicator prices (SDRs per tonne). Daily price for Nov.28 - (944.08) 10 day average for Nov.29 - (956.42)

COFFEE – London FOX £/tonne	Close	Previous	High/Low
Nov	590	591	592 585
Jan	619	603	621 601
Mar	588	570	588 568

Turnover:3084 (2699) lots of 5 tonnes

ICO indicator prices (US cents per pound) for Nov.27: Comp. daily - (65.27) 15 day average - (64.79)

POTATOES – London FOX £/tonne	Close	Previous	High/Low
Apr	125.8	127.4	127.3 125.5

Turnover 186 (138) lots of 20 tonnes.

SOYAMEAL – London FOX £/tonne	Close	Previous	High/Low
Aug	125.50		125.50

Turnover 25 (0) lots of 20 tonnes.

FREIGHT – London FOX $10/index point	Close	Previous	High/Low
Dec	1620	1628	1620 1610
Jan	1645	1645	1645 1615
Apr	1650	1650	1650 1640
Jul	1434		1430
BFI	1589	1595	1589

Turnover 168 (131)

GRAINS – London FOX £/tonne	Close	Previous	High/Low
Wheat	Close	Previous	High/Low
Jan	125.25	124.90	125.30 124.90
Mar	128.50	128.15	128.60 128.30
May	131.50	131.10	131.50 131.30
Jun	133.20	132.45	133.00
Barley	Close	Previous	High/Low
Jan	119.75	119.45	119.80 119.70
Mar	122.85	122.60	122.90 122.75

Turnover: Wheat 350 (517), Barley 84 (115). Turnover lots of 100 Tonnes.

PIGS – London FOX (Cash Settlement) p/kg	Close	Previous	High/Low
Jan	103.5	104.5	103.0
Feb	105.0		103.6

Turnover:11 (47) lots of 3,250 kg

[illegible] – London FOX	Close	Prev.	High	Low	Vol
Indx	133.59	135.16	133.59		

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)						Total daily turnover 12,182 lots
Cash	1105.5-6.5	1105-6	1102.5/1102	1102-2.5		
3 months	1131-2	1131-2	1133/1128	1128.5-9	1131.5-32	136,865 lots
Copper, Grade A (£ per tonne)						Total daily turnover 42,430 lots
Cash	1312-3	1341-5	1325/1314	1315-7		
3 months	1299.5-300	1311-2	1317/1299	1307-8	1301-2	112,883 lots
Lead (£ per tonne)						Total daily turnover 1,932 lots
Cash	291.5-2.5	287.5-8.5	291.5/291	289-90		
3 months	301-1.5	298-8.5	306/300	299-9.5	301.5-2	15,102 lots
Nickel ($ per tonne)						Total daily turnover 1,815 lots
Cash	7125-35	7150-60	7140	7138-40		
3 months	7175-80	7190-5	7190/7180	7165-70	7180-90	19,383 lots
Tin ($ per tonne)						Total daily turnover 1,118 lots
Cash	5460-70	5485-95		5470-80		
3 months	5510-15	5535-40	5535/5510	5515-20	5510-15	4,988 lots
Zinc, Special High Grade ($ per tonne)						Total daily turnover 8,571 lots
Cash	1207-8	1192-4		1205-6		
3 months	1192-3	1165-6	1193/1177	1189-90	1189-90	38,107 lots

LME Closing £/$ rate: SPOT: 1.7650 3 months: 1.7419 6 months: 1.7211 9 months: 1.6997

LONDON BULLION MARKET
(Prices supplied by N.M.Rothschild)

Gold (fine oz)	$ price	£ equivalent
Close	366.10-366.60	
Opening	365.60-366.00	
Morning fix	366.85	208.615
Afternoon fix	366.30	207.889
Day's high	367.30/367.60	
Day's low	365.60/365.80	

Loco Ldn Mean Gold Lending Rates (Vs US$)			
1 month	4.61	6 months	4.29
2 months	4.53	12 months	4.18
3 months	4.39		

Silver fix	p/fine oz	US cts equiv
Spot	230.70	406.80
3 months	236.75	411.40
6 months	242.75	416.30
12 months	254.75	426.35

GOLD COINS
(Prices supplied by Engelhard Metals)

	$ price	£ equivalent
Krugerrand	366.00-367.00	208.00-208.50
Maple leaf	378.00-379.00	214.75-215.25
New Sovereign	88.00-89.00	50.00-50.50

TRADED OPTIONS

Coffee	Jan	Mar	Jan	Mar
550	71	51	2	15
600	31	25	12	39
650	9	11	40	75
Cocoa	Mar	May	Mar	May
725	60	84	22	24
750	45	69	33	34
775	34	55	46	45
Brent Crude	Jan	Feb	Jan	Feb
2000	60		24	59
2050	27		46	
2100	12	34		

New York

GOLD 100 troy oz.; $/troy oz.	Close	Previous	High/Low	
Dec	367.9	367.9	368.0	368.0
Jan	369.6	369.6	0	0
Feb	371.1	371.2	371.2	369.3
Apr	373.6	373.7	374.0	371.8
Jun	375.9	3376.2	376.3	374.4
Aug	378.5	378.8	0	0
Oct	381.0	381.3	0	0
Dec	383.7	384.0	383.1	383.1
Feb	386.4	386.6	0	0

PLATINUM 50 troy oz; $/troy oz.	Close	Previous	High/Low	
Jan	370.6	371.8	371.0	368.5
Apr	373.1	374.5	374.0	372.0
Jul	375.6	376.9	0	0
Oct	381.6	382.9	0	0

SILVER 5,000 troy oz; cents/troy oz.	Close	Previous	High/Low	
Dec	405.7	408.0	406.0	403.0
Jan	407.2	407.9	0	0
Feb	408.3	410.0	0	0
Mar	411.3	412.0	411.5	408.5
May	415.3	415.9	416.0	412.5
Jul	419.0	419.7	419.0	417.0
Sep	423.0	423.5	0	0
Dec	428.9	429.8	429.5	426.5
Jan	430.9	431.6	0	0
Mar	434.9	435.6	434.5	433.0

HIGH GRADE COPPER 25,000 lbs; cents/lbs	Close	Previous	High/Low	
Dec	102.60	104.25	103.00	102.50
Jan	102.20	103.75	102.20	102.20
Feb	101.60	103.15	0	0
Mar	101.00	102.65	101.75	100.70
Apr	100.55	102.35	0	0
Jun	99.65	101.25	0	0
Jul	99.20	100.75	0	99.40
Aug	98.85	100.35	0	0
Sep	98.45	99.90	99.10	98.80

CRUDE OIL (Light) 42,000 US galls $/barrel	Latest	Previous	High/Low	
Jan	21.53	21.35	21.72	21.52
Feb	21.46	21.21	21.62	21.36
Mar	21.24	21.02	21.30	21.17
Apr	21.15	20.91	21.15	21.08
Jul	20.80	20.64	20.83	20.80
Aug	20.74	20.57	20.75	20.75
Sep	20.72	20.52	20.70	20.70
Oct	20.68	20.50	20.68	20.62

HEATING OIL 42,000 US galls, cents/US galls	Latest	Previous	High/Low	
Dec	6195	6182	6250	6190
Jan	6345	6316	6400	6340
Mar	6100	6038	6120	6080
Apr	5860	5790	5880	5810
May	5670	5585	5635	5635
Jul	5520	5445	5540	5500
Sep	5700	5615	5700	5700

COTTON 50,000; cents/lbs	Close	Previous	High/Low	
Dec	57.05	60.50	57.40	57.10
Mar	58.96	61.28	59.40	58.90
May	60.01	63.30	60.35	59.97
Jul	60.72	63.75	61.38	60.70
Oct	63.00	64.94	63.00	63.00
Dec	63.46	65.35	63.60	63.40

INDICES				
REUTERS (Base: September 18 1931 = 100)	Nov.29	Nov.28	mnth ago	yr ago
	1630.5	1641.0	1660.6	1715.5
DOW JONES (Base: Dec. 31 1974 = 100)	Nov.28	Nov.27	mnth ago	yr ago
Spot	-	115.03	117.53	123.48
Futures	-	122.46	123.82	124.71

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel	Close	Previous	High/Low	
Jan	557/0	563/6	564/0	556/4
Mar	563/6	571/0	571/2	562/0
May	569/2	577/0	577/4	568/0
Jul	575/6	584/4	584/4	575/4
Aug	576/4	586/0	587/4	576/4
Sep	577/0	583/0	580/0	577/0
Nov	579/6	586/0	586/0	579/4

SOYABEAN OIL 60,000 lbs; cents/lb	Close	Previous	High/Low	
Dec	18.88	19.08	19.12	18.85
Jan	18.99	19.21	19.27	18.96
Mar	19.28	19.54	19.62	19.28
May	19.63	19.85	19.90	19.61
Jul	19.90	20.13	20.22	19.90
Aug	20.08	20.32	0	0
Sep	20.10	20.35	0	0
Oct	20.12	20.35	0	0

SOYABEAN MEAL 100 tons; $/ton	Close	Previous	High/Low	
Dec	177.5	177.8	178.0	176.4
Jan	175.3	176.3	176.5	174.3
Mar	174.0	174.7	175.2	173.0
May	173.7	174.4	174.8	173.0
Jul	174.2	175.5	175.8	174.0
Aug	175.1	176.0	176.0	175.1
Sep	175.4	176.5	175.8	175.0
Oct	168.2	169.7	0	0

MAIZE 5,000 bu min; cents/56lb bushel	Close	Previous	High/Low	
Dec	238/6	239/4	240/0	238/4
Mar	247/4	248/4	249/4	246/6
May	253/6	255/2	256/0	253/2
Jul	258/2	260/2	260/2	258/0
Sep	256/0	257/4	257/4	256/0
Dec	254/0	254/4	254/0	253/0

WHEAT 5,000 bu min; cents/60lb-bushel	Close	Previous	High/Low	
Dec	366/2	369/4	368/4	363/0
Mar	366/0	369/4	367/4	363/0
May	349/0	351/4	352/[illegible]	347/0
Jul	325/2	328/2	325/6	321/4
Sep	329/0	331/0	331/0	327/0

LIVE CATTLE 40,000 lbs; cents/lbs	Close	Previous	High/Low	
Dec	73.82	73.52	73.75	73.27
Feb	74.72	74.57	74.80	74.37
Apr	74.52	74.32	74.70	74.20
Jun	70.92	70.80	70.97	70.65
Aug	69.05	68.85	69.20	68.90
Oct	69.20	69.12	69.52	69.20

LIVE HOGS 40,000 lb; cents/lbs	Close	Previous	High/Low	
Dec	42.12	42.07	42.30	42.00
Feb	42.47	42.62	42.70	42.40
Apr	40.37	40.46	40.70	40.35
Jun	45.67	45.57	45.70	45.50
Jul	45.60	45.67	45.75	45.60
Aug	44.47	44.45	44.55	44.42
Oct	41.10	41.12	41.17	41.05

PORK BELLIES 40,000 lbs; cents/lb	Close	Previous	High/Low	
Feb	38.85	39.00	39.25	38.80
Mar	38.80	38.97	39.20	38.75
May	40.02	40.00	40.25	39.85
Jul	40.60	40.67	40.55	40.25
Aug	39.07	39.00	39.25	39.07

LME watching copper market

By Kenneth Gooding, Mining Correspondent

THE LONDON Metal Exchange is using behind-the-scenes persuasion, not overt action, to calm turmoil in the copper market.

This became clear yesterday when, contrary to some expectations, the LME did not impose any limit on the "backwardation" – the premium charged for copper for immediate delivery compared with three-month metal.

Mr David King, the exchange's chief executive, said, however: "We will watch the [copper] market very closely for the rest of the year, particularly over the next few days when we near the options declaration date which is invariably an active time.

"If we had any major concern that someone was trying to create a disorderly market we would take steps to deal with it."

The LME was responding to public protests by the International Wrought Copper Council which on Thursday complained that distortions in the market were boosting the price unnecessarily and causing damage to consumers already suffering from the recession.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Soviet worries boost dollar

THE DOLLAR was firmer again yesterday as fresh worries about the political situation in the Soviet Union undermined the Deutsche Mark, although with the market still quiet after the US Thanksgiving Day holiday, the US unit proved unable to hold on to all its early gains.

The dollar rallied in Asian trading and extended its gains in Europe as newswires reported warnings from Soviet politicians about a possible coup and disorder as the economy continues to slide into deeper depression.

The dollar rose to a high of DM1.6375 in London from an opening level of DM1.6280 and DM1.6170 at the previous close. Earlier this week, the dollar hit a seventeen month low of DM1.58.

However, with many US traders not at their desks the dollar lacked sufficient buying interest to hold at its highs and the US unit slipped back to close at DM1.6265. The dollar also closed at Y130.05 from Y129.85.

The dollar's recovery from the lows struck earlier this week has been caused by a belief that it had fallen too far, too quickly and was due for a recovery.

Some traders also said the news on the US economy had been so bad recently that signs of recovery were bound to show through soon and perhaps a turning point had been reached for the dollar.

But many analysts remained uncertain about the outlook for the American economy and said another cut in US interest rates was a possibility. The November purchasing managers report on Monday and employment figures on Friday will be closely examined for any signs of an upturn.

The Bundesbank council meets next week and with inflation in Germany still rising, worries that interest rates may be raised is also likely to dominate trading.

The yen continued to firm on suggestions that Japanese banks have been repatriating funds to bolster their reserves, which have been weakened by the falling stockmarket. The mark fell to Y80.05 from Y80.25 and at one stage was below the pyschologically important Y80.00 level.

Tensions inside the ERM continued to ease as the mark fell back on the worries about the situation in the Soviet Union.

Sterling was one of the main beneficiaries, although the recovery in the dollar also helped the UK unit. Sterling closed at DM2.87 from DM2.86 and compared with a low of DM2.8350 struck earlier in the week.

Sterling remained the weakest currency inside the ERM but closed the gap on the Danish krone - which is second from bottom. The krone finished only 0.68 per cent above sterling, against 1.34 per cent the previous day.

£ IN NEW YORK

Nov.29	Latest	Previous Close
£ Spot	1.7665-1.7675	1.7680-1.7690
1 month	0.81-0.80pm	0.89-0.87pm
3 months	2.45-2.42pm	2.45-2.42pm
12 months	8.90-8.83pm	8.95-8.85pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Nov.29	Previous
8.30 am	90.5	90.3
9.00 am	90.4	90.3
10.00 am	90.4	90.4
11.00 am	90.4	90.4
Noon	90.5	90.4
1.00 pm	90.6	90.4
2.00 pm	90.6	90.3
3.00 pm	90.6	90.4
4.00 pm	90.6	90.4

CURRENCY MOVEMENTS

Nov 29	Bank of England Index	Morgan** Guaranty Changes %
Sterling	90.6	-21.3
U.S Dollar	63.5	-15.9
Canadian Dollar	105.6	+2.9
Austrian Schilling	109.9	+12.2
Belgian Franc	111.6	-1.6
Danish Krone	108.9	+3.2
D-Mark	118.7	+25.3
Swiss Franc	109.4	+17.9
Dutch Guilder	114.5	+16.5
French Franc	102.9	-13.8
Lira	98.8	-19.9
Yen	140.8	+73.9

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1985=100). **Rates are for Nov 27

CURRENCY RATES

Nov 29	Bank § rate %	Special* Drawing Rights	European † Currency Unit
Sterling	-	0.782582	0.709926
U.S Dollar	5.00	1.38791	1.24947
Canadian $	8.17	1.57805	1.41715
Austrian Sch	7.50	15.7347	14.3627
Belgian Franc	8.00	46.0162	42.0165
Danish Krone	9.50	8.68485	7.92976
D-Mark	7.50	2.23495	2.04038
Dutch Guilder	8.00	2.51725	2.29952
French Franc	10¼	7.63767	6.96642
Italian Lira	11½	1686.07	1536.47
Japanese Yen	5.00	179.526	162.493
Norway Krone	8	8.79199	8.01847
Spanish Peseta	-	142.391	129.607
Swedish Krona	10.00	8.18312	7.45558
Swiss Franc	7.00	1.97916	1.79861
Greek Drach	19	N/A	231.989
Irish Punt	-	N/A	0.765325

§ Bank rate refers to central bank discount rates. These are not quoted by the UK, Spain and Ireland. † European Commission Calculations. * All SDR rates are for Nov.27

OTHER CURRENCIES

Nov 29	£	$
Argentina	17443.8 - 17471.3	9900.00 - 9910.00
Australia	2.2500 - 2.2520	1.2765 - 1.2775
Brazil	1461.05 - 1462.15	829.200 - 829.350
Finland	7.7725 - 7.7860	4.4095 - 4.4145
Greece	323.600 - 330.850	183.700 - 186.640
Hong Kong	13.6600 - 13.6730	7.7600 - 7.7620
Iran	116.10*	66.00*
Korea(Sth)	1324.40 - 1345.75	750.00 - 759.00
Kuwait	0.51255 - 0.51325	0.28420 - 0.28450
Luxembourg	59.20 - 59.30	33.55 - 33.65
Malaysia	4.8470 - 4.8550	2.7515 - 2.7535
Mexico	5356.50 - 5363.05	3040.00 - 3042.00
N.Zealand	3.1365 - 3.1480	1.7795 - 1.7815
Saudi Ar	6.5695 - 6.6465	3.7495 - 3.7505
Singapore	2.9320 - 2.9390	1.6665 - 1.6685
S.Af (Cm)	4.9200 - 4.9320	2.7960 - 2.7975
S.Af (Fn)	5.3490 - 5.4310	3.0360 - 3.0815
Taiwan	45.55 - 45.75	25.85 - 25.95
U.A.E.	6.4330 - 6.5100	3.6715 - 3.6735

*Official rate. Floating rate £-2513.8 $-1418.0

FORWARD RATES AGAINST STERLING

	Spot	1 mth	3 mths	6 mths	12 mths
US Dollar	1.7650	1.7570	1.7408	1.7177	1.6765
D-mark	2.8700	2.8678	2.8637	2.8587	2.8454
French Fr.	9.8000	9.7949	9.7840	9.7697	9.7300
Swiss Fr.	2.5350	2.5302	2.5208	2.5066	2.4876
Yen	229.50	228.78	227.00	224.47	219.38

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Nov 29	% Change from Central Rate	% Spread vs Weakest Currency	Divergence Indicator
Spanish Peseta	133.631	129.607	-3.01	5.03	52
Belgian Franc	42.4032	42.0166	-0.91	2.81	43
D-Mark	2.05586	2.04038	-0.75	2.64	46
Dutch Guilder	2.31643	2.29952	-0.73	2.62	34
Irish Punt	0.767417	0.766325	-0.27	2.15	11
Italian Lira	1538.24	1536.47	-0.12	1.99	4
French Franc	6.89509	6.96642	1.03	0.83	-58
Danish Krone	7.84195	7.92976	1.12	0.74	-52
Sterling	0.696904	0.709926	1.87	0.00	-37

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
Adjustment calculated by Financial Times.

POUND SPOT - FORWARD AGAINST THE POUND

Nov 29	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.7535 - 1.7655	1.7645 - 1.7655	0.80-0.79cpm	5.41	2.43-2.40pm	5.47
Canada	1.9920 - 2.0040	2.0010 - 2.0020	0.53-0.47cpm	3.00	1.54-1.43pm	2.97
Netherlands	3.2205 - 3.2440	3.2300 - 3.2400	⅜-¼cpm	1.16	⅞-⅝pm	0.93
Belgium	58.75 - 59.35	59.20 - 59.30	9-4cpm	1.32	20-13pm	1.18
Denmark	11.0975 - 11.2185	11.1725 - 11.1825	1¼-¾orepm	1.27	3¼-2¼pm	1.03
Ireland	1.0750 - 1.0810	1.0770 - 1.0780	0.05-parpm	0.28	0.10-parpm	0.19
Germany	2.8665 - 2.8755	2.8675 - 2.8725	⅜-¼pfpm	1.05	⅞-⅝pm	1.05
Portugal	253.55 - 256.45	254.65 - 255.65	12-25cdis	-0.87	43-116dis	-1.25
Spain	181.90 - 183.20	182.45 - 182.75	29-36cdis	-2.14	48-97dis	-1.59
Italy	2155.65 - 2168.30	2161.25 - 2162.75	3-5liredis	-2.22	8-10dis	-1.67
Norway	11.2980 - 11.3400	11.3025 - 11.3125	⅝-⅛orepm	0.46	1⅛-⅞pm	0.29
France	9.7730 - 9.8260	9.7950 - 9.8050	¾-½cpm	0.77	2⅛-1⅝pm	0.82
Sweden	10.4565 - 10.5625	10.5100 - 10.5200	1-1½oredis	-1.28	2⅝-3⅛dis	-1.09
Japan	228.50 - 230.00	229.00 - 230.00	⅞-¾ypm	4.25	2⅝-2½pm	4.47
Austria	20.11 - 20.31	20.20 - 20.23	2⅛-1⅛gropm	1.08	6½-3½pm	0.99
Switzerland	2.5260 - 2.5400	2.5300 - 2.5400	⅝-⅜cpm	2.37	1⅝-1⅜pm	2.37
Ecu	1.4060 - 1.4115	1.4105 - 1.4115	0.04-parcpm	0.17	0.05-parpm	0.07

Commercial rates taken towards the end of London trading. Six-month forward dollar 4.75-4.70cpm . 12 Month 8.90-8.80cpm

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Nov 29	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7535 - 1.7655	1.7645 - 1.7655	0.80-0.79cpm	5.41	2.43-2.40pm	5.47
Ireland†	1.6290 - 1.6385	1.6360 - 1.6370	0.73-0.68cpm	5.17	2.26-2.16pm	5.40
Canada	1.1350 - 1.1355	1.1345 - 1.1355	0.20-0.23cdis	-2.27	0.69-0.73dis	-2.50
Netherlands	1.8310 - 1.8445	1.8325 - 1.8335	0.66-0.70cdis	-4.45	2.09-2.14dis	-4.62
Belgium	33.45 - 33.70	33.55 - 33.65	11.00-13.00cdis	-4.29	36.00-40.00dis	-4.52
Denmark	6.3175 - 6.3610	6.3300 - 6.3350	2.10-2.40oredis	-4.26	6.95-7.55dis	-4.58
Germany	1.6245 - 1.6375	1.6260 - 1.6270	0.60-0.62pfdis	-4.50	1.86-1.89dis	-4.61
Portugal	144.65 - 145.30	144.65 - 144.75	72-79cdis	-6.26	240-260dis	-6.91
Spain	103.35 - 104.15	103.60 - 103.70	65-68cdis	-7.70	195-202dis	-7.66
Italy	1224.50 - 1233.15	1224.50 - 1225.00	7.50-8.00liredis	-7.59	21.30-22.30dis	-7.12
Norway	6.3940 - 6.4385	6.4050 - 6.4100	2.55-2.85oredis	-5.06	8.25-8.75dis	-5.31
France	5.5500 - 5.5890	5.5500 - 5.5550	2.19-2.24cdis	-4.79	6.68-6.78dis	-4.85
Sweden	5.9460 - 5.9940	5.9550 - 5.9600	3.35-3.60oredis	-7.00	9.75-10.20dis	-6.70
Japan	129.85 - 130.30	130.00 - 130.10	0.12-0.13ydis	-1.15	0.35-0.37dis	-1.11
Austria	11.4475 - 11.4950	11.4625 - 11.4675	4.15-4.60grodis	-4.58	12.40-13.70dis	-4.55
Switzerland	1.4325 - 1.4425	1.4360 - 1.4370	0.36-0.40cdis	-3.17	1.15-1.20dis	-3.27
Ecu†	1.2450 - 1.2535	1.2515 - 1.2525	0.56-0.53cpm	5.22	1.68-1.62pm	5.27

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EURO-CURRENCY INTEREST RATES

Nov 29	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	10¼ - 10⅛	10⅜ - 10¼	10⅞ - 10¾	10⅞ - 10¾	10⅝ - 10½	10½ - 10⅜
US Dollar	4⅞ - 4¾	4⅞ - 4¾	5⅛ - 5	5 - 4⅞	4⅞ - 4¾	5 - 4⅞
Can. Dollar	7 - 6½	7 - 6½	7 - 6⅞	7⅜ - 7¼	7⅜ - 7¼	7⅝ - 7½
Dutch Guilder	9⅜ - 9¼	9½ - 9⅜	9⅝ - 9½	9⅝ - 9½	9⅝ - 9½	9½ - 9⅜
Swiss Franc	7⅛ - 7	7⅞ - 7⅝	8⅛ - 8	8⅛ - 8	8⅛ - 7⅞	7⅞ - 7¾
D-Mark	9¼ - 9⅛	9⅜ - 9¼	9⅝ - 9½	9⅝ - 9½	9⅝ - 9½	9⅝ - 9½
French Franc	9⅞ - 9¾	9⅞ - 9¾	9⅞ - 9¾	9⅞ - 9¾	9⅞ - 9¾	9⅞ - 9¾
Italian Lira	12 - 10	12⅛ - 12¼	12⅛ - 12¼	12⅛ - 11⅞	12 - 11⅞	11⅞ - 11¾
Belgian Franc	9⅝ - 9½	9⅝ - 9½	9⅝ - 9½	9⅝ - 9½	9⅝ - 9½	9⅝ - 9½
Yen	6⅛ - 6	6⅛ - 6	6⅛ - 6	6 - 5⅞	5⅞ - 5¾	5⅞ - 5¾
Danish Krone	9¾ - 9⅝	9⅞ - 9¾	9⅞ - 9¾	9⅞ - 9¾	9⅝ - 9½	9⅝ - 9½
Asian $Sing	3⅝ - 3½	3⅝ - 3½	3⅝ - 3½	3⅞ - 3¾	4 - 3⅞	4⅛ - 4

Long term Eurodollars: two years 5¼-5⅛ per cent; three years 6⅛-6 per cent; four years 6¾-6⅝ per cent; five years 7⅛-7 per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Nov.29	£	$	DM	Yen	F Fr.	S Fr.	N FL.	Lira	C$	B Fr.	Ecu
£	1	1.765	2.870	229.5	9.800	2.535	3.235	2162.	2.002	59.25	1.411
$	0.567	1	1.626	130.0	5.552	1.436	1.833	1225	1.134	33.57	0.799
DM	0.348	0.615	1	79.97	3.415	0.883	1.127	753.3	0.698	20.64	0.492
YEN	4.357	7.691	12.51	1000.	42.70	11.05	14.10	9420	8.723	258.2	6.148
F Fr.	1.020	1.801	2.929	234.2	10.	2.587	3.301	2206	2.043	60.46	1.440
S Fr.	0.394	0.696	1.132	90.53	3.866	1	1.276	852.9	0.790	23.37	0.557
N FL	0.309	0.546	0.887	70.94	3.029	0.784	1	668.3	0.619	18.32	0.436
Lira	0.463	0.816	1.327	106.2	4.533	1.173	1.496	1000.	0.926	27.41	0.653
C$	0.500	0.882	1.434	114.6	4.895	1.266	1.616	1080	1	29.60	0.705
B Fr.	1.688	2.979	4.844	387.3	16.54	4.278	5.460	3649	3.379	100.	2.381
Ecu	0.709	1.251	2.034	162.7	6.945	1.797	2.293	1532	1.419	41.99	1

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS
£50,000 64ths of 100%

Strike Price	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Mar	Puts-settlements Jun
91	3-42	4-08	0-18	0-44
92	2-53	3-25	0-29	0-61
93	2-06	2-47	0-46	1-19
94	1-30	2-10	1-06	1-46
95	1-00	1-43	1-40	2-15
96	0-42	1-17	2-18	2-53
97	0-27	0-61	3-03	3-33
98	0-17	0-46	3-57	4-18

Estimated volume total, Calls 1418 Puts 937
Previous day's open int. Calls 11741 Puts 9813

LIFFE US TREASURY BOND FUTURES OPTIONS
$100,000 64ths of 100%

Strike Price	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Mar	Puts-settlements Jun
95	4-11	3-48	0-31	1-00
96	3-24	3-06	0-44	1-22
97	2-43	2-33	0-63	1-49
98	2-04	2-00	1-24	2-16
99	1-34	1-37	1-54	2-53
100	1-08	1-13	2-28	3-29
101	0-51	0-58	3-07	4-10
102	0-35	0-43	3-55	4-59

Estimated volume total, Calls 303 Puts 100
Previous day's open int. Calls 647 Puts 535

LIFFE BUND FUTURES OPTIONS
DM250,000 points of 100%

Strike Price	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Mar	Puts-settlements Jun
8450	1.72	2.12	0.19	0.32
8500	1.33	1.76	0.30	0.46
8550	0.98	1.43	0.45	0.63
8600	0.70	1.13	0.67	0.83
8650	0.48	0.88	0.95	1.08
8700	0.31	0.67	1.28	1.37
8750	0.20	0.50	1.67	1.70
8800	0.13	0.36	2.10	2.06

Estimated volume total, Calls 4734 Puts 3379
Previous day's open int. Calls 71293 Puts 24933

LIFFE EUROMARK OPTIONS
DM1m points of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements MAR
8950	0.98	1.24	0	0
8975	0.73	0.99	0	0
9000	0.48	0.76	0	0.02
9025	0.25	0.53	0.02	0.04
9050	0.06	0.32	0.07	0.08
9075	0.01	0.16	0.28	0.17
9100	0	0.07	0.52	0.33
9125	0	0.03	0.77	0.54

Estimated volume total, Calls 1588 Puts 856
Previous day's open int. Calls 38325 Puts 28182

LIFFE ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS Lire 200m 100ths of 100%

Strike Price	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Mar	Puts-settlements Jun
9500	1.90	2.22	0.20	0.48
9550	1.51	1.87	0.31	0.63
9600	1.17	1.56	0.47	0.82
9650	0.86	1.28	0.66	1.04
9700	0.65	1.03	0.95	1.29
9750	0.46	0.82	1.26	1.58
9800	0.31	0.64	1.61	1.90
9850	0.21	0.49	2.01	2.25

Estimated volume total, Calls 190 Puts 58
Previous day's open int. Calls 1874 Puts 905

LIFFE SHORT STERLING OPTIONS
£500,000 points of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements MAR
8850	0.89	1.36	0	0
8875	0.64	1.12	0	0.01
8900	0.40	0.88	0.01	0.02
8925	0.18	0.66	0.04	0.05
8950	0.05	0.46	0.16	0.10
8975	0.02	0.29	0.38	0.18
9000	0	0.17	0.61	0.31
9025	0	0.09	0.86	0.48

Estimated volume total, Calls 4014 Puts 3239
Previous day's open int. Calls 80661 Puts 64204

LONDON (LIFFE)

20-YEAR 9% NOTIONAL GILT *
£50,000 32nds of 100%

	Close	High	Low	Prev.
Dec	94-05	94-10	93-29	93-24
Mar	94-12	94-16	94-05	93-31

Estimated volume 25625 (12125)
Previous day's open int. 53972 (54594)

US TREASURY BONDS 8% *
$100,000 32nds of 100%

	Close	High	Low	Prev.
Dec	99-19	99-23	99-13	99-09
Mar	98-22	98-23	98-20	98-14

Estimated volume 1317 (312)
Previous day's open int. 3007 (3074)

6% NOTIONAL GERMAN GOVT. BOND *
DM250,000 100ths of 100%

	Close	High	Low	Prev.
Dec	85.58	85.77	85.56	85.75
Mar	86.03	86.19	86.00	86.18

Estimated volume 31694 (22508)
Previous day's open int. 83308 (84410)

6% NOTIONAL LONG TERM JAPANESE GOVT. BOND Y100m 100ths of 100%

	Close	High	Low
Dec		100.13	100.01
Mar		100.32	100.26

Estimated volume 618 (239)
Traded exclusively on APT

9% NOTIONAL ECU BOND
ECU 200,000 100ths of 100%

	Close	High	Low	Prev.
Dec	99.70			99.45
Mar				

Estimated volume 0 (0)
Previous day's open int. 270 (270)

12% NOTIONAL ITALIAN GOVT. BOND (BTP) *
LIRA 200m 100ths of 100%

	Close	High	Low	Prev.
Dec	96.60	96.69	96.48	96.46
Mar	96.70	96.81	96.67	96.58

Estimated volume 6424 (8398)
Previous day's open int. 16054 (15940)

THREE MONTH STERLING *
£500,000 points of 100%

	Close	High	Low	Prev.
Dec	89.39	89.42	89.37	89.35
Mar	89.86	89.87	89.79	89.76
Jun	89.98	89.99	89.93	89.89
Sep	90.08	90.09	90.02	89.99
Dec	90.09	90.10	90.08	90.01
Mar	90.03	90.06	90.06	89.98

Est. Vol. (inc. figs. not shown) 28154 (10988)
Previous day's open int. 166448 (166643)

THREE MONTH EURODOLLAR *
$1m points of 100%

	Close	High	Low	Prev.
Dec	95.07	95.07	95.06	95.07
Mar	95.28	95.28	95.26	95.27
Jun	95.13	95.11	95.11	95.10
Sep	94.87	94.85	94.85	94.85

Est. Vol. (inc. figs. not shown) 2623 (2211)
Previous day's open int. 43756 (43899)

THREE MONTH EUROMARK *
DM 1m points of 100%

	Close	High	Low	Prev
Dec	90.48	90.50	90.46	90.50
Mar	90.74	90.76	90.71	90.77
Jun	91.03	91.04	90.99	91.04
Sep	91.26	91.28	91.23	91.27
Dec	91.37	91.40	91.35	91.40
Mar	91.53	91.54	91.51	91.53

Estimated volume 17508 (8120)
Previous day's open int. 177562 (178048)

THREE MONTH ECU
ECU 1m points of 100%

	Close	High	Low	Prev.
Dec	89.76	89.81	89.76	89.79
Mar	90.14	90.16	90.12	90.15
Jun	90.41	90.42	90.40	90.43
Sep	90.60			90.64

Estimated volume 707 (642)
Previous day's open int. 6543 (6415)

THREE MONTH EURO SWISS FRANC
SFR 1m points of 100%

	Close	High	Low	Prev.
Dec	91.85	91.90	91.83	91.82
Mar	92.20	92.25	92.15	92.17
Jun	92.48	92.49	92.47	92.45
Sep	92.64	92.64	92.62	92.62

Estimated volume 2030 (507)
Previous day's open int. 25586 (25688)

FT-SE 100 INDEX *
£25 per full index point

	Close	High	Low	Prev
Dec	2437.0	2455.0	2414.0	2442.0
Mar	2472.0	2486.0	2452.0	2477.0
Jun	2502.0	2497.0	2495.0	2507.5

Estimated volume 10106 (6185)
Previous day's open int. 36674 (36327)

FT-SE EUROTRACK 100 INDEX
DM50 per full index point

	Close	High	Low	Prev.
Dec	1070.0			1075.0
Mar				

Estimated volume 0 (0)
Previous day's open int. 305 (305)

* Contracts traded on APT. Closing prices shown.

POUND - DOLLAR

FT FOREIGN EXCHANGE RATES

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.7650	1.7570	1.7408	1.7177	1.6765

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Latest	High	Low	Prev.
Dec	99-22	99-22	99-18	99-12
Mar	98-24	98-25	98-20	98-14
Jun	97-24	97-24	97-21	97.14
Sep	-	-	-	96-14
Dec	-	-	-	95-14
Mar	-	-	-	94-17
Jun	-	-	-	93.21
Sep	-	-	-	92.27
Dec	-	-	-	92.03
Mar	-	-	-	91.13

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev.
Dec	95.65	95.66	95.64	95.63
Mar	95.84	95.84	95.84	95.81
Jun	95.68	95.68	-	95.65
Sep	-	-	-	95.40
Dec	-	-	-	94.92

BRITISH POUND (IMM)
$s per £

	Latest	High	Low	Prev.
Dec	1.7562	1.7566	1.7540	1.7588
Mar	1.7322	1.7324	1.7300	1.7346
Jun	-	-	-	1.7118

SWISS FRANC (IMM)
SFr 125,000 $ per SFr

	Latest	High	Low	Prev.
Dec	0.6947	0.6955	0.6947	0.6988
Mar	-	0.6897	0.6893	0.6932
Jun	-	-	-	0.6881

JAPANESE YEN (IMM)
Y12.5m $ per Y100

	Latest	High	Low	Prev.
Dec	0.7684	0.7685	0.7680	0.7672
Mar	0.7662	0.7664	0.7659	0.7650
Jun	-	-	-	0.7635
Sep	-	-	-	0.7628

DEUTSCHE MARK (IMM)
DM125,000 $ per DM

	Latest	High	Low	Prev.
Dec	0.6118	0.6122	0.6113	0.6163
Mar	0.6050	0.6054	0.6044	0.6094
Jun	-	-	-	0.6029

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev.
Dec	95.07	95.07	95.06	95.05
Mar	95.27	95.28	95.26	95.25
Jun	95.11	95.12	95.10	95.08
Sep	94.86	94.86	94.84	94.80
Dec	94.31	94.31	94.30	94.26
Mar	94.08	94.08	94.07	94.03
Jun	-	93.64	93.64	93.60
Sep	-	93.28	93.28	93.25

STANDARD & POORS 500 INDEX
$500 times index

	Latest	High	Low	Prev.
Dec	375.80	376.65	374.75	377.10
Mar	377.60	378.45	376.70	378.95
Jun	379.20	379.90	378.40	380.40

PHILADELPHIA SE £/$ OPTIONS
£31,250 (cents per £1)

Strike Price	Calls Dec	Calls Jan	Calls Feb	Calls Mar	Puts Dec	Puts Jan	Puts Feb	Puts Mar
1.675	10.85	8.36	8.60	8.63	0.04	0.51	1.37	2.08
1.700	5.96	6.24	6.57	6.75	0.15	1.00	2.11	2.84
1.725	3.74	7.55	4.85	5.17	0.54	1.76	3.03	3.92
1.750	2.02	2.84	3.48	3.85	1.33	2.79	4.27	5.25
1.775	0.92	1.81	2.47	2.81	2.72	4.28	5.81	6.81
1.800	0.34	1.06	1.68	1.43	4.65	6.06	7.55	8.49
1.825	0.06	0.57	1.09	0.96	6.88	8.02	9.43	10.39

Previous day's open int*: Calls 353,020 Puts 421,678 (All currencies)*November 27
Previous day's volume*: Calls 20,230 Puts 35,804 (All currencies)*November 27

PARIS

7 to 10 YEAR 10% NOTIONAL FRENCH BOND (MATIF) FUTURES

	Open	Sett price	Change	High	Low	Yield	Open int
December	105.90	105.86	+0.06	106.02	105.80	9.09	94,126
March	106.04	106.00	+0.06	106.14	105.98	9.07	39,174
June	106.54	106.56	+0.12	106.64	106.54	9.00	7,086

Estimated volume 82,961 Total Open Interest 140,686

6 to 10 YEAR 10% ITALIAN LONG TERM CONTRACT (MATIF) FUTURES

	Open	Sett price	Change	High	Low	Yield	Open int
December	-	86.08	+0.23	-	-	-	5,430
March	-	86.18	+0.27	-	-	-	100

Estimated volume 0 Total Open Interest 5,530

THREE-MONTH PIBOR FUTURES (MATIF) (Paris interbank offered rate)

December	90.28	90.27	-	90.30	90.26	9.73	17,983
March	90.57	90.59	+0.02	90.62	90.57	9.43	28,995

Estimated volume 7,739 Total Open Interest 55,810

CAC-40 FUTURES (MATIF) Stock index

November	1758.0	1738.8	-15.2	1761.0	1737.0	-	3,391
December	1774.0	1756.5	-13.5	1777.0	1752.0	-	10,845
January	1788.0	1769.0	-14.0	1788.0	1768.0	-	2,188
March	-	1796.5	-13.5	-	-	-	1,576

Estimated volume 21,903 Total Open Interest 18,000

ECU BOND (MATIF)

December	105.44	105.36	+0.04	105.50	105.32	9.16	4,536
March	-	105.46	+0.06	105.46	105.46	9.15	986

Estimated volume 1,815 Total Open Interest 5,522

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls March	Calls June	Calls September	Puts March	Puts June	Puts September
105	-	-	-	0.62	0.73	-
106	0.99	1.68	-	1.01	1.13	-
107	0.58	-	-	-	-	-
108	0.30	-	-	-	-	-
Open int	114,385	8,921	N/A	71,890	10,476	N/A

Estimated volume 23,629 Total Open Interest 205,672

BANK RETURN

BANKING DEPARTMENT	Wednesday November 27, 1991	Increase or decrease for week
LIABILITIES	£	£
Capital	14,553,000	
Public Deposits	100,226,302	- 17,909,851
Bankers Deposits	1,614,758,471	- 171,248,309
Reserve and other Accounts	3,365,523,114	+ 98,196,723
	5,095,060,887	- 90,959,437
ASSETS		
Government Securities	1,200,386,528	- 259,819,063
Advance and other Accounts	1,993,560,167	+ 83,707,294
Premises Equipment & other Secs	1,894,491,780	+ 84,926,048
Notes	6,427,190	+ 224,844
Coin	195,222	+ 1,440
	5,095,060,887	- 90,959,437
ISSUE DEPARTMENT		
LIABILITIES		
Notes in circulation	16,073,572,810	+ 169,775,156
Notes in Banking Department	6,427,190	+ 224,844
	16,080,000,000	+ 170,000,000
ASSETS		
Government Debt	11,015,100	
Other Government Securities	11,251,379,015	- 902,138,306
Other Securities	4,817,605,885	+ 1,072,138,306
	16,080,000,000	+ 170,000,000

MONEY MARKETS

UK rates steady

UK MONEY market rates remained firm yesterday despite sterling's recovery against the Deutsche Mark. Short-dated rates were lifted by a large money market shortage caused by end of the month technical factors.

The key three months interbank rate closed at 10⅝-½ per cent, unchanged on the previous day; six months was 1/16 firmer at 10⅝-½ per cent; and one year money was steady at 10⅝-½ per cent.

Dealers said that, with the Bundesbank council meeting next week, uncertainty over the outlook for UK rates continued. Although most analysts did not expect a rise in German rates they said that the money markets would remain nervous until the Bundesbank announced its decision.

Inflationary pressures in Germany have not yet subsided. Indeed, the latest west German figures showed inflation running at an annual rate of 4.1 per cent: the Bundesbank has said it wants inflation at 2 per cent.

But sterling's firmer tone did take some pressure off money market rates and by the close most rates were little changed on the day.

In the futures market, the pound's strength against the mark boosted the interest rate contracts. March short sterling was up 11 points at 89.87. Although the futures market still expects no immediate change in UK interest rates it is now less certain that base rates will remain at 10½ per cent next year.

Short-dated rates were also firm as the Bank of England forecast a large liquidity shortage. Its initial estimate of £2.1bn was eventually increased to £2.4bn. Behind the shortage was a large number of maturing Treasury bills. The Bank estimated this would drain £1.565bn.

In Germany, overnight money moved up close to the Bundesbank's Lombard emergency funding rate after a large drop in banks' holdings of liquidity with the Bundesbank was announced.

Call money was at 9.15-25 per cent from 9.10-20 per cent, although dealers said some money changed hands at the emergency funding rate of 9.25 per cent. There was also some talk that with inflation still rising the Bundesbank may raise interest rates.

At the Bundesbank, holdings of bank funds fell to DM59.3bn on Wednesday from DM65.9bn on Tuesday, compared with average holdings of DM72.1bn so far this month.

UK clearing bank base lending rate
10.5 per cent
from September 4, 1991

FT LONDON INTERBANK FIXING

(11.00 a.m. Nov.29) 3 months US dollars		6 months US Dollars	
bid 4⅞	offer 5	bid 4 13/16	offer 4 15/16

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Lunchtime

Prime rate	7½
Broker loan rate	7
Fed.funds	4¾
Fed.funds at intervention	-

Treasury Bills and Bonds

One month	4.14	Three year	5.77
Two month	4.15	Four year	5.85
Three month	4.46	Five year	6.48
Six month	4.57	Seven year	6.97
One year	4.68	10-year	7.39
Two year	5.40	30-year	7.95

Nov.29	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	9.15-9.25	9.30-9.50	9.25-9.45	9.25-9.45	9.25-9.45	9.25
Paris	9⅝-9½	9⅞-9¾	9⅞-9¾	9⅞-9¾	9⅝-9½	9.25
Zurich	6⅞-6⅝	7⅞-8⅛	-	7⅞-8⅛	-	-
Amsterdam	9.18-9.31	9.24-9.34	-	9.38-9.48	-	-
Tokyo	6⅛-6¼	6⅛-6¼	-	6⅛-6¼	-	-
Milan	11⅝-11⅞	12⅛-12⅜	-	12⅛-12⅜	-	-
Brussels	9.19-9.31	9⅛-9¼	-	9⅛-9¼	-	-
Dublin	10-10¼	10¼-10½	10¼-10½	10¼-10½	10¼-10½	-

LONDON MONEY RATES

Nov 29	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	13	10¼	10¾	10⅝	10⅝	10⅝
Interbank Bid	10	10½	10½	10½	10½	10½
Sterling CDs	-	-	10⅝	10⅝	10½	10½
Local Authority Deps.	10¼	10⅝	10⅝	10⅝	10⅝	10⅝
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps	11	10½	-	-	-	-
Company Deposits	-	-	10¾	10⅝	10¾	10¾
Finance House Deposits	-	-	10⅝	10⅝	10⅝	10⅝
Treasury Bills (Buy)	-	-	10⅜	10⅜	9⅞	-
Bank Bills (Buy)	-	-	10⅜	10⅜	9⅞	-
Fine Trade Bills (Buy)	-	-	-	-	-	-
Dollar CDs	-	-	5.17	4.88	4.85	4.93
SDR Linked Dep. Offer	-	-	7⅛	7⅛	7⅛	7⅛
SDR Linked Dep. Bid	-	-	6⅞	6⅞	6⅞	6⅞
ECU Linked Dep Offer	-	-	10⅜	10⅜	10⅜	10⅜
ECU Linked Dep. Bid	-	-	10¼	10¼	10¼	10¼

Treasury Bills (sell); one-month 10⅛ per cent; three months 10⅛ per cent; six months 9⅞ per cent; Bank Bills (sell): one-month 10⅜ per cent; three months 10⅜ per cent; Treasury Bills; Average tender rate of discount 10.0806 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day November 29 ,1991 . Agreed rates for period Dec.25, 1991 to January 25 , 1992, Scheme I: 11.74 p.c., Schemes II & III: 11.75 p.c. Reference rate for period November 1,1991 to November 29 , 1991, Scheme IV&V: 10.513 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 11 from December 1 , 1991: Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 7 per cent; one-three months 9½ per cent; three-six months 9 per cent; six-nine months 9 per cent; nine-twelve months 9 per cent; Under £100,000 7 per cent from Sept 5,1991 . Deposits withdrawn for cash 5 per cent.

BASE LENDING RATES

	%		%		%
Adam & Company	10.5	Credit Lyonnais	10.5	McDonnell Douglas Bnk	10.5
Allied Trust Bank	10.5	Cyprus Popular Bk	10.5	Midland Bank	10.5
AIB Bank	10.5	Dunbar Bank PLC	10.5	Mount Banking	10.5
● Henry Ansbacher	10.5	Duncan Lawrie	10.5	NatWestminster	10.5
B & C Merchant Bank	10.5	Equatorial Bank plc	10.5	Northern Bank Ltd	10.5
Bank of Baroda	10.5	Exeter Bank Limited	11	Nykredit Mortgage Bank	11
Banco Bilbao Vizcaya	10.5	Financial & Gen. Bank	11	Provincial Bank PLC	14
Bank of Cyprus	10.5	First National Bank Plc	14	Roxburghe Bank Ltd	11.5
Bank of Ireland	10.5	● Robert Fleming & Co.	10.5	Royal Bk of Scotland	10.5
Bank of India	10.5	Robert Fraser & Ptnrs	11	● Smith & Williamson Secs.	10.5
Bank of Scotland	10.5	Girobank	10.5	Standard Chartered	10.5
Banque Belge Ltd	10.5	● Guinness Mahon	10.5	TSB	10.5
Barclays Bank	10.5	● Hambros Bank	10.5	Unibank plc	10.5
Benchmark Bank	11	Hampshire Trust Plc	13.5	● United Bk of Kuwait	10.5
Brit Bk of Mid East	10.5	Heritable & Gen Inv Bnk	10.5	Unity Trust Bank Plc	10.5
● Brown Shipley	10.5	● Hill Samuel	10.5	Western Trust	10.5
CL Bank Nederland	10.5	C. Hoare & Co.	10.5	Westpac Bank Corp.	10.5
Citibank NA	10.5	Hongkong & Shanghai	10.5	Whiteaway Laidlaw	10.5
City Merchants Bank	10.5	Julian Hodge Bank	10.5	Yorkshire Bank	10.5
Clydesdale Bank	10.5	● Leopold Joseph & Sons	10.5		
Co-operative Bank	10.5	Lloyds Bank	10.5		
Coutts & Co	10.5	Meghraj Bank Ltd	10.5		

● Members of British Merchant Banking & Securities Houses Association.

MONEY MARKET FUNDS

Money Market Trust Funds

	Gross	Net	Gross CAR	Int Cr
CAF Money Management Co Ltd				
48 Pembury Road, Tonbridge TN9 2JD 0732 770114				
Cafcash Deposit Fund	10.34	–	10.75	3 Mth
Deposits Over £1 million	10.44	–	10.86	3 Mth
Deposits Over £2 million	10.54	–	10.97	3 Mth
The COIF Charities Deposit Account				
2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	10.30	–	10.70	3-Mth
Cent. Bd. of Fin. of Church of England‡‡				
2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	10.30	–	10.70	3-Mth
Gartmore Money Management Ltd				
16-18 Monument St, London EC3R 8QQ 071-236 1425				
TESSA Desk 071 236 9362				
Call Fnd	10.13	7.60	10.38	6-Mth
7-day Fund	10.15	7.61	10.40	6-Mth
Special Fund	9.97	7.47	10.43	1-Mth
Dollar	3.49	2.61	3.53	3-Mth
TESSA Prime	9.76	–	10.12	3-Mth
TESSA Plus	9.57	–	9.92	3-Mth
TESSA Saver	9.33	–	9.66	3-Mth

Money Market Bank Accounts

	Gross	Net	Gross CAR	Int Cr
AIB Bank High Interest Cheque Account				
Belmont Rd, Uxbridge UB8 1SA 0800 282115				
£2,500-£9,999	8.50	6.38	8.77	Qtr
£10,000+	9.25	6.94	9.57	Qtr
Aitken Hume Bank plc				
30 City Road, EC1Y 2AY 071-638 6070				
Treasury Acc	9.00	6.75	9.31	Qtr
Mth Int Chq £1,000-£4,999	9.00	6.75	9.38	Mth
Mth Int Chq £5,000-£49,999	9.50	7.125	9.92	Mth
Mth Int Chq £50,000+	10.00	7.50	10.47	Mth
Allied Trust Bank Ltd				
97-101 Cannon St, London, EC4N 5AD 071-626 0879				
TOMMA (£2,001+)	10.90	8.18	11.46	Mth
DMMA (£2,001+)	10.50	7.88	11.02	Mth
HICA (£2,001+)	9.00	6.75	9.38	Mth
Premier TESSA	12.50	9.38	13.24	Yearly
American Express Bank Ltd				
Sussex House, Burgess Hill, West Sussex, RH15 9AW 0444 230230				
High Performance Cheque Account				
Cardmembers				
£500-£999	3.50	2.63	3.56	Mth
£1,000-£4,999	8.50	6.38	8.84	Mth
£5,000-£9,999	8.70	6.53	9.06	Mth
£10,000-£24,999	9.10	6.83	9.49	Mth
£25,000-£49,999	9.30	6.98	9.71	Mth
£50,000-£99,999	9.50	7.13	9.92	Mth
£100,000+	9.70	7.28	10.14	Mth
Non-Cardmembers				
£500-£999	3.25	2.44	3.30	Mth
£1,000-£4,999	8.25	6.19	8.57	Mth
£5,000-£9,999	8.45	6.34	8.79	Mth
£10,000-£24,999	8.85	6.64	9.22	Mth
£25,000-£49,999	9.05	6.79	9.43	Mth
£50,000-£99,999	9.25	6.94	9.65	Mth
£100,000+	9.45	7.09	9.87	Mth
Bank of Ireland High Interest Cheque Acc				
36-40 High St, Slough SL1 1EL 0753 516516				
£2,000-£9,999	8.50	6.375	8.775	Qtr
£10,000+	8.75	6.563	9.041	Qtr
Bank of Scotland				
38 Threadneedle St, EC2P 2EH 071-601 6446				
MM Chq Acc £2,500-£24,999	8.65	6.48	9.00	Mth
£25,000+	9.11	6.83	9.50	Mth
Barclays Select				
PO Box 120, Westwood Bs Pk Coventry 0800 400100				
£2,000-£9,999	8.50	6.38	8.50	-
£10,000-£24,999	9.75	7.31	9.75	-
£25,000-£49,999	10.25	7.69	10.25	-
£50,000+	11.00	8.25	11.00	-
Barclays Prime Account H.I.C.A.				
PO Box 125, Northampton 0604 252891				
£1,000-£2,499	7.00	5.25	7.19	Qtr
£2,500-£9,999	7.70	5.78	7.93	Qtr
£10,000-£24,999	8.40	6.30	8.67	Qtr
£25,000+	8.75	6.56	9.04	Qtr
Benchmark Bank PLC Premier Account				
86 Newman Street, W1P 3LD. 071-631 3313				
£2,500-£10,000	9.00	6.75	9.31	Qtr
£10,001-£20,000	9.25	6.9375	9.58	Qtr
£20,000+	10.00	7.50	10.38	Qtr
Brown Shipley & Co Ltd				
Founders Court, Lothbury, London EC2 071-606 9833				
HICA	9.00	6.75	9.23	Qtr
Prof Demand A/c	8.875	6.66	9.10	Qtr
Caledonian Bank Plc				
8 St Andrew Square, Edinburgh EH2 2PP 031 556 8235				
HICA	10.00	7.50	–	Yearly
Cater Allen Ltd				
25 Birchin Lane, London EC3V 9DJ 071-623 2070				
HICA	9.00	6.75	9.3807	Mth
Consort £5 000 min	9.625	7.2188	10.0613	Mth
TESSA	10.25	–	10.7459	Mth
Charterhouse Bank Limited				
1 Paternoster Row, EC4M 7DH 071-248 4000				
£2,500-£19,999	9.25	6.94	9.65	Mth
£20,000-£49,999	9.50	7.13	9.92	Mth
£50,000-£99,999	9.75	7.31	10.20	Mth
£100,000+	10.00	7.50	10.47	Mth
$5,000-$49,999	3.25	2.44	3.30	Mth
$50,000-$99,999	3.75	2.81	3.82	Mth
$100,000-$199,999	4.00	3.00	4.07	Mth
$200,000+	4.25	3.19	4.33	Mth
Many other currencies are available – for rates please phone ext 2168				
Clydesdale Bank PLC				
30 St Vincent Place, Glasgow G1 2HL 041 248 7070				
£2,000-£24,999	8.25	6.19	8.51	Qtr
£25,000-£99,999	9.00	6.75	9.31	Qtr
£100,000+	9.50	7.13	9.84	Qtr

	Gross	Net	Gross CAR	Int Cr
Clydesdale Bank PLC – Contd.				
Co-operative Bank				
PO Box 300, Skelmersdale, Lancs 0800 616162				
TESSA				
TESSA	11.50	–	–	Yearly
Investment 90 – 90 Day Notice Savings				
£50,000+	10.75	8.10	11.0	6-Mth
£25,000-£49,999	10.50	7.90	10.8	6-Mth
£10,000-£24,999	9.50	7.10	9.7	6-Mth
£5,000-£9,999	8.25	6.20	8.4	6-Mth
Pathfinder – Card Based Current Account				
All Balances	10.00	7.50	10.50	Mth
Top Tier – Instant Access Savings				
£50,000+	9.50	7.10	9.7	6-Mth
£10,000-£49,999	9.00	6.75	9.2	6-Mth
£5,000-£9,999	7.75	5.80	7.90	6-Mth
£1,000-£4,999	7.25	5.40	7.40	6-Mth
£1-£999	3.50	2.60	3.50	6-Mth
Ultra Interest Bearing Current Account				
£20,000+	6.50	4.90	6.70	Mth
£5,000-£19,999	5.50	4.10	5.60	Mth
£500-£4,999	3.00	2.25	3.00	Mth
£1-£499	2.00	1.50	2.00	Mth
Coutts & Co				
Reserve Account				
440 Strand, London WC2R 0QS 071-753 1000				
For personal customers				
£50,000+	9.125	6.84	9.44	Qtr
£20,000-£49,999	8.625	6.47	8.91	Qtr
£5,000-£19,999	8.125	6.09	8.38	Qtr
For businesses, charities and societies				
£100,000-£1,000,000	8.50	6.40	8.78	Qtr
£25,000-£99,999	8.25	6.19	8.51	Qtr
£10,000-£24,999	7.625	5.72	7.85	Qtr
Coutts Composite Account for clients money				
27 Bush Lane, London EC4R 0AA 071-623 3434				
Rates negotiable up to	10.000	–	–	–
Dartington & Co Ltd Investment HICA				
70 Prince St, Bristol BS1 4QD 0272 213206				
£50,000-£1m	9.50	7.13	9.84	Qtr
£25,000-£49,999	9.25	6.94	9.58	Qtr
£5,000-£24,999	9.00	6.75	9.31	Qtr
Financial & General Bank plc				
13 Lowndes Street, London, SW1X 9EX 071-235 0036				
H.I.D.A. £50,000	10.85	8.137	11.12	6-Mth
H.I.D.A. £10,000-£50,000	10.50	7.875	10.77	6-Mth
Gartmore Money Management Ltd				
16-18 Monument St London EC3R 8QQ 071-236 1425				
HICA £10,000+	8.75	6.56	9.04	3-Mth
Halifax Bldg Soc Asset Reserve Cheque Acc				
Trinity Road, Halifax HX1 2RG 0422 335333				
£5,000-£9,999	9.05	6.79	9.36	Qtr
£10,000-£24,999	9.850	7.39	10.22	Qtr
£25,000-£49,999	10.35	7.76	10.76	Qtr
£50,000 and above	11.00	8.25	11.46	Qtr
Julian Hodge Bank Ltd				
10 Windsor Place Cardiff CF1 3BX 0222 220800				
6 Mth Fixed Rate Dep Acc	11.00	8.25	–	–
Extra High Interest Deposit Account				
£50,000+	10.75	8.06	11.19	Qtr
£10,000+	10.25	7.69	10.65	Qtr
£5,000+	9.75	7.31	10.11	Qtr
Humberclyde Finance Group				
Challey Ct, Winchester Rd Basingstoke 0256 841863				
£50,000+	10.50	7.88	10.82	Qtr
Kleinwort Benson Ltd				
158 Kentish Town Rd, London NW5 2BT 071 267 1586				
H.I.C.A. (£2,500+)	9.75	7.31	10.21	Daily
Lloyds Bank – Investment Account				
71 Lombard St, London EC3P 3BS 0272 433372				
£50,000 and above	10.40	7.80	10.40	Yearly
£25,000+	10.00	7.50	10.00	Yearly
£10,000+	9.80	7.35	9.80	Yearly
£5,000+	8.40	6.30	8.40	Yearly
Midland Bank plc				
PO Box 2, Sheffield 0742 529394				
Exchequer Acc £5000+	9.78	7.34	10.00	6-Mth
£10,000+	10.02	7.52	10.25	6-Mth
£25,000+	10.49	7.87	10.75	6-Mth
£50,000+	10.73	8.05	11.00	6-Mth
TESSA	11.00	–	11.00	Yearly
NatWest Crown Reserve Account				
41 Lothbury, London, EC2P 2BP 071-374 3374				
£25,000 and above	10.25	7.69	10.65	3-Mth
£10,000 to £24,999	10.00	7.50	10.38	3-Mth
£2,000-£9,999	9.625	7.22	9.98	3-Mth
Provincial Bank PLC				
30 Ashley Rd, Altrincham, Cheshire 061-928 9011				
H.I.C.A. (£1,000+)	8.75	6.56	9.11	Mth
Royal Bank of Scotland plc Premium Acc				
42 St Andrew Sq, Edinburgh EH2 2YE 031-228 5650				
£50,000+	9.50	7.13	9.84	Qtr
£25,000-£49,999	9.20	6.90	9.52	Qtr
£10,000-£24,999	8.75	6.56	9.04	Qtr
£2,500-£9,999	8.10	6.08	8.35	Qtr
Save & Prosper/Robert Fleming				
16-22 Western Rd Romford RM1 3LB. 0800 282101				
Bench £1,000+ Chq Acc	9.00	6.75	9.42	Daily
TESSA Fixed 1 Year	9.28	–	9.69	Mth
TESSA Variable	10.29	–	10.79	Mth
Sterling Bank & Trust Ltd				
Abbey Gdns, 6 Abbey St, Reading RG1 3BA 0734 592543				
HIDA £2,500+	10.50	7.88	10.78	6-Mth
Tyndall & Co Ltd				
29-33 Princess Victoria St, Bristol 0272 744720				
Demand Acc.	09.25	6.94	09.58	Qtr
HIMA	09.13	6.84	09.44	Qtr
HIMA £100,000+	09.38	7.03	09.70	Qtr
Master Plus	09.13	6.84	09.44	Qtr
TESSA	09.88	–	10.25	Qtr
United Dominions Trust Ltd				
PO Box 135, Abbey St, Reading RG1 3EB 0734 560411				
Capital Plus Cheque Account				
£1,000+	9.90	7.43	10.27	Qtr
J. Henry Schroder Wagg & Co Ltd				
120 Cheapside, London EC2V 6DS 071-382 6000				
Special Acc	9.625	7.22	9.95	Mth
£10,000 and above	9.875	7.41	10.22	Mth
Western Trust High Interest Cheque Acc				
The Moneycentre Plymouth PL1 1SE 0752 224141				
£15,000+	10.00	7.50	10.38	Qtr
£5,000-£14,999	9.75	7.31	10.11	Qtr
£1,000-£4,999	9.50	7.13	9.84	Qtr
Wimbledon & South West Finance PLC				
114 Newgate St, London EC1 7AE 071-606 9485				
High Int Cheque Acc	10.60	7.95	11.03	Qtr

NOTES– Gross: Contractual rate of interest payable, not taking account of the deduction of basic rate income tax. Net: Rate of interest payable after allowing for deduction of basic rate income tax. Gross CAR: Gross rate annualised to take account of compounding of interest paid other than once a year. Compounded Annual Rate. Int Cr: Frequency at which interest is credited to the account.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should *not be reproduced without permission.*

Details relate to those securities not included in the FT Share *Information Services.*

Unless otherwise indicated prices are in pence. The prices are those at which the *business was done in the 24 hours up to 5 pm on* Thursday and settled through the Stock Exchange Talisman system, they are *not in order of execution* but in *ascending order which denotes* the day's highest and lowest dealings.

*For those securities in which no business was recorded in Thurs*day's Official List the latest recorded business in the four previous *days is given with the relevant date.*

Rule 535(2) stocks are not regulated by the International Stock *Exchange of the United Kingdom and the Republic of Ireland Ltd.*

‡ Bargains at special prices. ♦ Bargains done the previous day.

British Funds, etc
No. of bargains included 1626

Guaranteed Export Finance Corp PLC 12½% Gtd Ln Stk 2002(Reg) - £113% (26No91)

Corporation and County Stocks
No. of bargains included 5

Greater London Council 6¾% Stk 90/92 - £98%
Birmingham District Council 11½% Red Stk 2012 - £102 (25No91)
Hull Corp 3½% Stk(2nd Iss) - £25 (27No91)
Leeds(City of) 13½% Red Stk 2006 - £115
Manchester(City of) 11.5% Red Stk 2007 - £103

UK Public Boards
No. of bargains included 2

Agricultural Mortgage Corp PLC 5½% Deb Stk 93/95 - £82
6½% Deb Stk 92/94 - £90% (27No91)
7¼% Deb Stk 91/93 - £93¼ (27No91)
Metropolitan Water Metropolitan Water 3% A Stk 63/2003 - £51
Port of London Authority 3% Port of *London A Stk 29/99 - £58 (25No91)*
3½% Stk 49/99 - £62 (26No91)

Foreign Stocks, Bonds, etc–(coupons payable in London)
No. of bargains included 70

Ireland(Republic of) 9¾% Stk 91/96 - £95½ (25No91)
Abbey National PLC 10¾% Bds 1993 - £99% ¼ (25No91)
Agricultural Mortgage Corp PLC 11⅝% Nts 1996 (Br £1000&10000) - £100½ 1% (26No91)
Allied-Lyons PLC 10¾% Bds 1999(Br£5000&100000) - £97 ¼ (25No91)

[illegible]

Sterling Issues by Overseas Borrowers
No. of bargains included 20

Asian Development Bank 10¾% Ln Stk 2009(Reg) - £98½ (27No91)
Bank of Greece 10¾% Ln Stk 2010(Reg) - £89
Caisse Nationale Des Autoroutes 16% Gtd Ln Stk 2006 - £139% ¼ (27No91)
Credit Foncier De France 10¼%GtdSerLnStk2011.12.13.14(Reg) - £98¼ % (27No91)

[illegible]

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Water Co Cons Ord Stk - £2200 (22No91)
Hartlepools Water Co Ord Stk - £950‡ (22No91)

Miscellaneous Warrants
No. of bargains included 5

Bankers Trust International PLC "POWERS" Rel to FT–SE 100 Index - £6.6 6.9

…

Southern Newspapers PLC Ord £1 - £3.28 3.35
Sun Oil Britain Ld Oil Royalty Stk Units 1p - £0.47 (26No91)
Sutton Harbour Hldgs Ld Ord 25p - £3.7 (22No91)
Transatlantic Hldgs PLC Ord 50p - £3.3♦
Cnv Cum Prf 50p - £3.78 (25No91)
Tyndall International(Jersey) Gilt Fund - £1.162 (22No91)
Vista Entertainments PLC Ord 5p - 1 (27No91)
Weetabix Ld "A" Non.V Ord 25p - £7¼

RULE 535 (4) (a)

Bargains marked in securities where principle market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

Associated Manganese Mines of SA $109 (25/11)
Aust. Foundation Inv A$1.98
Bukit Sembawang 160 (26/11)
City Developments S$0.183♦ (25/11)
Forest Laboratories $38.138♦ (27/11)
Golden Plateau A$0.05 (22/11)
Keystone International $25.089♦ (27/11)
Kuala Sidim Rubber M$1.53 (26/11)
Kulim Malaysia Ord 28♦ (22/11)
Malayan Cement M$3.6 (25/11)
McCarthy Group 80 (22/11)
National Electronics (Consolidated) 35 (26/11)
North Flinders Mines A$2.897 (22/11)
Oil Search A$0.783
Playmates Hldgs H$4.68 (25/11)
Regal Hotels (Hldgs) H$0.04 (27/11)
Selangor Coconuts M$1.74 (26/11)
Terrex Resources 6 (22/11)
Westfield Minerals 42
Wong Industrial Hldgs H$1.76 (27/11)

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LONDON STOCK EXCHANGE

Early falls reduced in nervous trade

By Terry Byland, UK Stock Market Editor

STEADIER trends in sterling and in New York equities as Wall Street returned from the Thanksgiving Day holiday helped London recover from a weak start yesterday. However, investment confidence in the UK was badly shaken by highly negative comments on business prospects by Y.J. Lovell, the housebuilding group, as it entered into negotiations with its bankers and said it would omit its dividend payment.

The building and construction sector collapsed following the depressing statement from Lovell which cast a threatening cloud over the stock market's hopes that the domestic recession is, at least, bottoming out. Losses among leading construction stocks ranged to nearly 20 per cent and property development groups also came under pressure.

Account Dealing Dates		
*First Dealings: Nov 11	Nov 25	Dec 9
Option Declarations: Nov 21	Dec 5	Dec 23
Last Dealings: Nov 22	Dec 6	Dec 27
Account Day: Dec 2	Dec 16	Jan 6

*New-time dealings may take place from 9.30 am two business days earlier.

The effects on the broader market of the building sector collapse was cushioned to some degree because many of the smaller construction issues are not constituents of the FT-SE 100 list.

The final reading of 2,420.2 on the FT-SE Index showed a net fall on the day of only 8.4 points. But early in the session, the Footsie had been 23 down at 2,405.6, challenging another important testing level. While there was some satisfaction when the Index bounced from the day's low point, sentiment remained very nervous. The final minutes saw another heavy trading programme.

The Footsie has fallen by 28.1, or 1 per cent, this week and is now challenging levels last seen five months ago. Moreover, some equity chart specialists predict that the UK market has further to fall.

At a chart seminar held at Hoare Govett yesterday, Mr Richard Lake predicted 2,400 as a short-term Footsie target, "with 2,250 possible over the next few months". Some other forecasters, also basing their views purely on chart technical factors, saw the market falling to FT-SE 2,200.

The early part of the trading session was unsettled by heavy trading in the November dated traded share option contracts. A sell programme in equities also appeared on the trading screens.

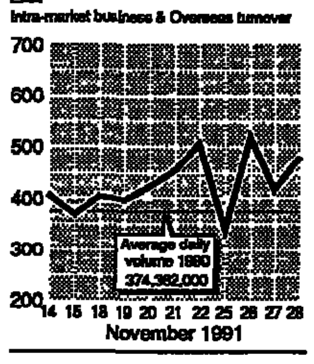
Once again, some large lines of stock were on offer and there were no buyers to take them up. Share prices fell sharply at mid-morning but trading activity then died away as London waited for Wall Street to open.

With sterling firmer against the D-mark, government bonds improved at first, although they lost heart later to close with gains of only about ⅛. While sterling worries have subsided, hopes for an early cut in base rates have also disappeared.

● Volume in retail, or customer-originated, business in equities has been erratic this week but remained above last year's daily average levels.

London SE volume

Turnover by volume (million)
Excl: Intra-market business & Overseas turnover



FINANCIAL TIMES STOCK INDICES

	Nov 29	Nov 28	Nov 27	Nov 26	Nov 25	Year Ago	1991 High	1991 Low	Since Compilation High	Since Compilation Low
Government Secs	86.04	85.70	85.76	85.88	85.68	82.58	87.94 (18/9)	82.17 (2/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	95.68	95.47	95.44	95.38	95.42	90.23	97.17 (2/10)	90.59 (2/1)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary Share ●	1840.1	1856.4	1867.9	1887.7	1876.3	1682.8	2108.3 (2/9)	1606.3 (16/1)	2108.3 (2/9/91)	49.4 (26/6/40)
Gold Mines	171.4	171.2	170.6	172.2	174.2	160.2	222.8 (11/7)	127.0 (22/2)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2420.2	2428.6	2447.5	2471.5	2456.2	2149.4	2679.6 (2/9)	2054.8 (16/1)	2679.6 (2/9/91)	986.9 (23/7/84)
FT-SE Eurotrack 200	1107.23	1111.78	1114.19	1125.88	1110.51	-	1198.60 (3/9)	938.62 (16/1)	1198.60 (3/9/91)	938.62 (16/1/91)
●Ord. Div. Yield	5.04	5.01	4.98	4.94	4.97	6.73				
●Earning Yld %(full)	7.49	7.45	7.38	7.33	7.40	12.00				
●P/E Ratio(Net)(☆)	16.77	16.86	17.03	17.17	17.00	10.16				
SEAQ Bargns 4.45pm	23,237	20,304	21,986	24,036	23,559	21,872				
Equity Turnover(£m)†	-	985.33	978.32	1056.02	653.86	658.41				
Equity Bargains†	-	19,856	20,772	23,862	22,458	19,517				
Shares Traded (ml)†	-	477.8	417.9	516.3	340.5	263.8				

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold mines 12/9/55. Basis 1000 FT-SE 100 31/12/83 & FT-SE Eurotrack 200 26/10/90. ☆ Nil 15.81.

Ordinary Share Index, Hourly changes Day's High 1862.2 Day's Low 1830.9

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
1854.2	1861.8	1848.0	1833.9	1836.7	1836.8	1836.7	1835.5	1839.7

FT-SE 100, Hourly changes Day's High 2439.2 Day's Low 2405.6

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2428.9	2438.7	2426.7	2409.0	2412.4	2413.9	2413.8	2413.8	2420.5

FT-SE Eurotrack 200, Hourly changes Day's High 1112.46 Day's Low 1102.92

Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm
1112.46	1110.30	1105.89	1107.11	1106.60	1105.81	1105.30

GILT EDGED ACTIVITY

Indices*	Nov 28	Nov 27
Gilt Edged Bargains	79.3	88.2
5-Day average	88.2	89.9

*SE Activity 1974.
†Excluding intra-market business & Overseas turnover.

London report and latest Share Index: Tel. 0898 123001

Building sector plunges

A semi-panic developed in the building areas of the market after YJ Lovell, the Buckinghamshire-based construction group, sent its share price spiralling downwards by revealing it is negotiating with its bankers and will pass its final dividend.

The group was scheduled to announce preliminary figures on December 16. Lovell said it expected to be in breach of certain of its banking covenants when its year-end figures are finalised, citing deteriorating conditions in the UK and US housing and property markets.

Lovell shares immediately plummeted with marketmakers leap-frogging each other as the stock price collapsed. At worst they were sold at 28p, eventually closing a massive 64 lower at 32p. The speed with which the shares were marked down could not prevent turnover expanding rapidly to 643,000 shares. In April this year Lovell launched a £30m rights issue at 130p a share. In June Taylor Woodrow, the construction group, launched a market raid on Lovell and increased its stake to around 4 per cent. In 1990 Lovell was unsuccessful in an attempt to acquire another construction group, Higgs & Hill.

The Lovell news caused tremors throughout an already nervous building sector. Higgs & Hill slumped 34 to 101p, Costain 8 more to 54p – for a two-day loss of 14 – and John Mowlem 17 to 204p. McCarthy & Stone dropped 9 to 47p. Wimpey lost 12 to 135p. Taylor Woodrow dipped 8 to 144p.

ICI upgraded

A change of view on ICI from one securities house was the spark for the shares to stand out in a dull market and rise steadily to close 10 better on the day at 1209p.

UBS Phillips & Drew, which has traditionally been bearish on the stock, published a note advising clients to buy and raised its forecast for 1992 profits by £50m to £1bn.

Mr Alasdair Nisbet, the UBS analyst who re-evaluated ICI said his optimism was prompted by internal rather than external factors.

He believes that Hanson's acquisition of a significant stake in ICI earlier this year was sufficient to galvanise the company. "Lord Hanson, as a shareholder, has encouraged ICI to implement its rationalisation programme quickly and ... provides a support level for the shares at 1194p, the price he paid in May."

Not all observers are so enthusiastic. Mr Richard Lake, the chartist at Hoare Govett, told institutional investors, yesterday, that he saw ICI shares finding support at 1100p. Hanson, hit by a forecast cut from Smith New Court on Thursday, firmed 1½ to a closing price of 199½p.

Forte setback

Forte fell back 8½ to 240p after a further three broking houses followed Smith New Court's example earlier in the week and revised their forecasts for the hotel and restaurant group down. Despite a number of meetings up to late on Thursday night with worried Forte executives, analysts heard little to change their minds over the group's exposure to the downturn in the hotel business – which contributes almost two-thirds of group profits.

Hoare Govett cut its profit forecast for this year by £17m to £76m, and wiped £40m from next year's at £160m. UBS Phillips and Drew slashed its current year forecast by £30m to £70m, and by £40m to £150m for next year.

Hotel occupancy rates are down 10 per cent in London and 5 per cent in the provinces for September and October, normally the sector's best months. Restaurants have also suffered, but are showing signs of recovery, particularly in the roadside sector. Paul Heath at UBS is advising a hold, but expects Forte to remain "choppy and volatile" over the next few weeks.

News on Forte coupled with the departure of the finance director of Ladbroke Group subsidiary Hilton International sent Ladbroke 9 lower to 236p.

Smith's leisure team said they completed the series of leisure sector downgrades initiated with their recent Forte cut by lowering their estimates for Rank Organisation. Smith cut their current year estimate from £267m to £247m and that for next year from £320m to £285m. Rank shares lost 9 to 632p; turnover was a high 1.5m shares.

Glaxo was strong as US investors returned from their Thanksgiving holiday to buy the stock in its American Depositary Receipt (ADR) form. The shares gained 11 at 782p.

However, SmithKline lost ground as enthusiasm ahead of a conference on Monday was offset by earlier bearish noises from Goldman Sachs.

There was also talk of stock overhanging the market and the shares fell 10 to 757p.

Lasmo's battle for control of Ultramar hotted up considerably with Lasmo attacking Ultramar's defence strategy and the market responding by striking down both share prices. Lasmo bore the brunt of the downward pressure with speculators betting on the oil group launching an increased bid, possibly next week.

Lasmo shares closed 15 off at 272p albeit in relatively thin trading of 941,000 shares. Ultramar shares fell back, upset by the slide in Lasmo shares closing; turnover here was much higher with 4.6m Ultramar changing hands.

Royal Bank of Scotland shares were the heaviest traded and gave the strongest performance among the big banks, edging ahead to 166p after the bank's top management gave a presentation at Panmure Gordon, the stockbroker, in London yesterday.

Reflection on Thursday's poor MEPC results left the property group off 13 at 440p. Greycoat, off 10 at 115p, also suffered from the retreat in building stocks and from a broker downgrading.

The top quality food retailing stocks, strong performers since they revealed they will be opening on Sundays in the run up to Christmas, came in for a fresh wave of institutional support. A number of leading brokers were said to have recommended the sector to clients. Argyll, still basking in the glow of excellent interim figures released in midweek, gained a further 6½ to 286p, on heavy turnover of 4m. J.Sainsbury jumped 11 to 346p on 4.9m and Tesco 9 to 236p.

Kingfisher, still suffering from worries about the current wave of price cutting in the DIY sector instigated by Ladbroke subsidiary Texas, and still unsettled by the Nomura profits downgrade, fell another 10 to 490p – a two-day decline of 23.

The £36.7m rights issue launched by River & Mercantile Trust, left prices for three of the classes of stock sharply lower. The Income stock slipped 6 to 112p, the Capital shares 11 to 85p and the Warrants 6 to 21p.

The announcement that Citibank had reduced its stake in Maxwell Communication Corporation lent little credence to the shares which slipped 2 to 36p on heavy turnover of 10m.

Turnover in Pilkington swelled to 9.4m as the shares eased 5 to 122p.

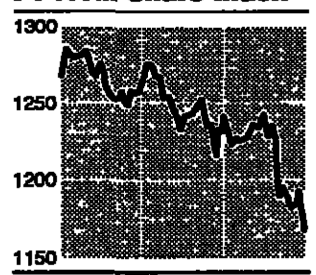
A sizeable profits downgrading of Lucas Industries left the shares 7 lighter at 112p. Hoare Govett cut this year's forecast by £30m to £50m and trimmed the following year's figure by £32m to £80m. Turnover reached 3.7m.

TI Group fell 18 to 540p on speculation that 7.1 per cent stakeholders Mannesmann of Germany had tried unsuccessfully to sell its holding.

MARKET REPORTERS:
Peter John, Joel Kibazo, Chris Price, Steve Thompson.

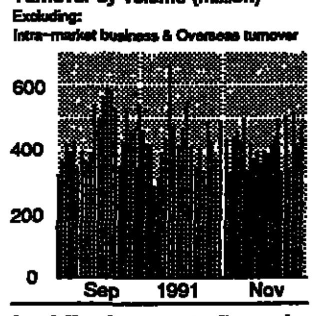
■ Other market statistics, including the FT-Actuaries Share Indices and London Traded Options, Page 9.

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million)
Excluding: Intra-market business & Overseas turnover



NEW HIGHS AND LOWS FOR 1991

NEW HIGHS (34).
BRITISH FUNDS(2) Conv. 9pc Ln. 2011 B, Tr.2pc IL-1992, CANADIANS (1) Bank of Montreal, BREWERS & DISTILLERS (1) Young-N/V, BUILDING MATERIALS (1) Kalon, BUSINESS SERVICES (1) Dart, ELECTRICALS (2) Chemring, Do. Cnv. Pf., ELECTRONICS (1) Kewill Systems, FOOD RETAILING (1) Park Food, HOTELS & LEISURE (2) Airbreak, Airtours, INSURANCE COMPOSITE (1) Domestic & Gen., INVESTMENT TRUSTS (2) Dartmoor, Manakin, MEDIA (3) Daily Mail A, LWT Cnv. Pfd., Trans World Comms., OTHER INDUSTRIAL MATERIALS (1) Marling, TRANSPORT (1) P&O 5½pc Pfd., WATER (2) East Surrey, South Staffs, MINES (2) Anglo American, Forsayth.

NEW LOWS (88).
CANADIANS (1) Gulf Canada, BANKS (1) TSB, BUILDING MATERIALS (6) BPB, Ibstock Johnsen, Do. Wrrnts., Pilkington, RMC, Tarmac, BUSINESS SERVICES (1) Penna, CHEMICALS (1) Leigh Interests, CONGLOMERATES (1) Trafalgar House, A. CONTRACTING & CONSTRUCTION (12) AMEC, Do. 6.5p Prf., Higgs & Hill, Laing (J), Do. A N/Vtg., Lilley, Lovell (Y.J), Mowlem (J), NSM, Taylor Woodrow, Westminster Scaffolding, Wimpey (G.), ELECTRICALS (2) BICC, Oxford Instruments, ELECTRICITY (1) Scottish Hydro-Electric, ELECTRONICS (2) Amstrad, Sema, ENGINEERING AEROSPACE (1) Rolls-Royce, ENGINEERING GENERAL (3) Elliott (B), Simon, Utd. Scientific, HOTELS & LEISURE (1) Principal Hotels, INSURANCE BROKERS (1) Durham (DG), INSURANCE COMPOSITE (4) Comm. Union, General Accident, Royal Insce., Sun Alliance, INVESTMENT TRUSTS (18) City of Oxford Wrrnts., Contra-Cyclical Cap., Drayton Eng. & Intl., Do. Wrrnts., EFM Java, Electra, Eng. & Caledonian, English & Scot. Investors Wrrnts., Fleming Emg. Mkts., Fleming Euro. Fledgeling, Gartmore Scotland Cap., Melville Street, Do. Wrrnts., Merlin Intl. Green, Murray Split Capital Cap., River & Merc. Wrrnts., Sphere, Throgmorton Tst. Wrrnts., Yeoman Inc., MEDIA (1) Black (A & C), MERCHANT BANKS (1) Wintrust, METAL & METAL FORMING (1) Glynwed Intl., MISCELLANEOUS (4) Bilston & Battersea, Christies Intl., Novalal, RPS, MOTORS (3) GKN, Lucas, Do. Wrrnts., OIL & GAS (2) Lasmo, Pict Pet., OTHER FINANCIAL (5) FNFC 6.3PC Cnv. Prf., Japan OTC Fund, JF Pacific Warrant Ord, Do. Reg., JF Philippine Wrrnts., OTHER INDUSTRIAL MATERIALS (1) Whitecroft, PROPERTY (8) Cap. & Counties 5¼pc Prf., Chesterfield, Do. 5¼pc Prf., Greycoat, Gt. Portland, Mickiegate, Rosehaugh, Scot. Metropolitan, STORES (1) French Connection, TRANSPORT (2) P & O Defd., Do. Sub Wrrnts. '88-92, PLANTATIONS (1) Anglo Eastern, MINES (1) Meekatharra.

RISES AND FALLS YESTERDAY

	On Friday Rises	On Friday Falls	On Friday Same	On the week Rises	On the week Falls	On the week Same
British Funds	70	6	6	163	114	134
Other Fixed Interest	10	2	7	25	26	44
Commercial, Industrial	147	383	966	1,011	1,565	4,891
Financial & Property	71	305	399	426	990	2,451
Oil & Gas	13	22	56	77	111	271
Plantations	1	3	6	1	5	44
Mines	34	29	89	168	166	426
Others	33	14	96	215	191	333
Totals	379	764	1,625	2,086	3,168	8,594

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change
ADT	150	318	+11	Cookson	1,500	107	+1	Lucas	3,700	112	-7	Severn Trent Water	683	305	
ASDA Group	7,000	39		Courtaulds	771	463	-4	MB Caradon	1,600	241	-2	Shell Transport	3,000	486	-5
Abbey National	1,300	288	-3	Dalgety	177	373		MEPC	1,600	440	-13	Siebe	1,000	488	-1
Albert Fisher	1,000	87	-1	De La Rue	205	439	-1	Manweb	87	298	+1	Slough Ests	301	233	-5
Allied-Lyons	2,200	585	-6	Dixons	1,800	210	-2	Marks & Spencer	5,100	276	-3	Smith (W.H.) A	501	453	+5
Amstrad	586	28	-1	ECC Group	477	449	-4	Maxwell Comms	10,000	36	-2	Smith & Nephew	1,700	134	-½
Anglian Water	772	337		Eastern Elect.	1,300	228	-3	Midland Bank	810	274		SmKl Beecham	2,500	757	-10
Argos	3,000	277	-2	East Midland Elect.	113	238	-2	Midlands Elect.	284	252	-2	SmKl Beecham Uts.	161	3435	+12
Argyll Group	4,000	286	+6½	Enterprise Oil	428	508	-11	NFC	1,700	216	-3	Smiths Inds	104	245	-5
Arjo Wiggins	984	283		Eurotunnel Units	1,300	393	-7	NatWest Bank	4,300	288		Southern Elect.	75	246	-2
Ass. Brit. Foods	397	429	+1	FKI	665	54	-1	National Power	1,900	159	-1½	South Wales Elect.	14	298	-3
BAA	1,100	492	-1	Ferranti	963	7	+½	Next	1,900	61		South West Water	178	316	-1
BAT Inds.	1,600	616	+1	Fisons	2,000	388	-3	North West Water	1,100	348	+1	South West. Elect	379	246	+4
BET	1,800	208	-1	Forte	3,500	240	-8½	Northern Elect.	142	249	-3	Southern Water	36	305	
BICC	1,500	313	-8	Gen. Accident	698	423	-12	Northern Foods	188	549		Standard Chartd.	944	383	+1
BOC	691	577	+3	General Elect.	4,700	181		Norweb	133	265	-3	Storehouse	489	98	+1
BPB Inds.	3,800	138	-6	Glaxo	3,400	782	+11	Pearson	189	745		Sun Alliance	853	298	-6
BTR	5,700	368	-1	Glynwed Int.	1,200	193	-4	P & O	2,000	439	-13	T&N	675	110	-6
Bank of Scotland	598	116		Granada	1,900	183	-4	Pilkington	9,400	122	-5	TI Group	670	540	-18
Barclays	2,600	387		Grand Met.	2,700	824	-7	PowerGen	3,100	148	-2	TSB	2,700	132	-1
Bass	1,400	938	-6	GUS A	190	1253	-5	Prudential	4,100	234	-4½	Tarmac	986	139	-6
Beazer	91	117		GRE	2,800	136	-3	RHM	614	247	+1	Tate & Lyle	697	377	+5
Berisford Int.	431	24		GKN	3,700	291	-13	RMC	703	501	+3	Taylor Woodrow	1,400	144	-8
Blue Circle	2,000	211	+2	Guinness	2,700	495	+8	RTZ	1,900	514	-6	Tesco	1,900	236	+9
Booker	276	480	-3	Hammerson 'A'	33	367	-10	Racal	7,800	94	+½	Thames Water	1,500	335	
Boots	3,400	409	-9	Hanson	7,000	199½	+1½	Rank Org	1,500	632	-9	Thorn EMI	746	770	-7
Bowater	679	679	-1	Hanson Warrants	3,300	21⅝		Reckitt & Colman	636	641	-2	Tomkins	1,000	385	-3
Brit. Aerospace	1,000	321	+11	Harrisons Crosfield	4,500	129		Redland	523	471	-4	Trafalgar House	3,100	209	-1
British Airways	3,500	205½	-5½	Hawker Sidd.	789	735		Reed Intl	1,500	495	-2	Ultramar	4,600	311	-12
British Gas	6,900	239	-½	Hillsdown	1,100	171	-1	Rentokil	858	350	+1	Unigate	955	290	-2
British Land	288	281	-6	IMI	880	216	-1	Reuters	1,400	905	+1	Unilever	1,600	827	+8
BP	7,500	302	-2	ICI	1,500	1209	+10	Rolls Royce	2,200	124	-3	United Biscuits	419	375	+1
British Steel	7,800	73½	-½	Inchcape	1,300	397		Rothmans	561	1046	-5	Utd. Newspapers	702	378	-3
British Telecom	4,900	353	-4	Kingfisher	1,000	490	-10	Ryl Bk Scotland	5,400	166	+1	Vodafone	1,200	355	-2
Bunzl	569	82	-2	Ladbroke	3,900	236	-9	Royal Insurance	916	288	-5	Wellcome	921	837	+1
Burmah Castrol	945	545	-8	Land Securities	973	482	-11	Saatchi	3,200	12¾	-½	Welsh Water	1,100	353	-2
Burton	1,900	39	+1½	Laporte	865	599	+2	Sainsbury	4,900	346	+11	Wessex Water	68	365	+2
Cable & Wire.	2,300	544	+1	Legal & General	772	363	-2	Scottish & New	278	397	+1	Whitbread 'A'	1,300	423	-2
Cadburys	2,400	406	+1	Lloyds Abbey	602	353	-14	Scot. Hydro-Elect.	3,300	100	-1	Williams Hldgs.	1,600	304	-4
Calor Group	248	232	+7	Lloyds Bank	3,000	365	-4	Scottish Power	2,800	100		Willis Corroon	695	247	+4
Carlton Comms.	455	478	-6	LASMO	941	272	-15	Sears	2,200	97	-1	Wimpey	1,100	135	-12
Coats Viyella	2,100	188	-3	London Elect.	1,000	242		Sedgwick	307	210	+3	Yorkshire Elect.	45	281	-2
Comm. Union	459	426	-9	Lonrho	1,000	222	-3	Seeboard	55	256		Yorkshire Water	438	366	

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down.

EQUITY FUTURES AND OPTIONS TRADING

FOOTSIE futures saw volatile trading yesterday as concern about economic recovery was countered by buying at lower levels, writes Joel Kibazo.

The December contract clawed back some of Thursday's weakness early in the session as dealers decided that the falls had been overdone.

However, early gains faded as dealers focused on speculation about further economic and political upheavals in the Soviet Union. At one stage, the December contract fell to a low of 2412.

Institutional bargain hunters emerged during the afternoon, as did a reassessment about the falls during the early trading. The combination of the two factors generated a slight squeeze toward the market close.

December closed at 2437, down 5 on the previous session and about 6 points above its estimated fair value premium to cash of 11. Turnover was a healthy 8,349 lots.

In LTOM, turnover surged to 32,349, ahead of the break-even figure for the market of 30,000. Asda was the top-traded stock option with 2885 lots dealt. The April 92 series was the most active. Hanson was the second busiest option. It traded 2342 lots in what traders described as aggressive selling.

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
AUSTRALIA		12.000	11/01	113.9148	+0.197	9.78	9.73	9.70
BELGIUM		9.000	06/01	99.0000	-0.150	9.15	9.12	9.06
CANADA *		8.500	04/02	99.7500	+0.700	8.53	8.77	8.59
DENMARK		9.000	11/00	99.6250	+0.105	9.06	8.99	8.90
FRANCE	BTAN	8.500	11/96	97.5545	-	9.13	9.13	8.92
	OAT	9.500	01/01	103.4200	-0.020	8.92	8.93	8.75
GERMANY		8.25	09/01	99.5000	-0.090	8.32	8.28	8.33
ITALY		12.000	06/01	96.5800	-	12.63	12.63	12.42
JAPAN	No 119	4.800	06/99	92.9397	+0.149	6.17	6.23	6.24
	No 129	6.400	03/00	103.1316	+0.113	5.84	5.92	5.91
NETHERLANDS		8.500	03/01	97.9000	-0.050	8.83	8.76	8.79
SPAIN		11.900	07/96	99.8000	+0.080	11.90	11.99	11.59
UK GILTS		10.000	11/96	100-09	+09/32	9.92	9.97	9.70
		10.000	02/01	100-20	+10/32	9.89	9.94	9.67
		9.000	10/08	94-23	+18/32	9.64	9.70	9.47
US TREASURY *		7.500	11/01	100-29	+06/32	7.39	7.41	7.48
		8.000	11/21	100-19	+07/32	7.95	7.97	7.89

London closing, *denotes New York morning session. Yields: Local market standard. Prices: US, UK in 32nds., others in decimal. Technical Data/ATLAS Price Sources

FT-A INDICES LEADERS AND LAGGARDS

Percentage changes since December 31 1990 based on Thursday November 28 1991

Health & Household	+	51.74	Insurance (Life)	+	14.33
Textiles	+	47.90	All-Share Index	+	13.79
Packaging, Paper & Printing	+	41.56	Gold Mines Index	+	10.74
Business Services	+	37.41	Banks	+	10.71
Chemicals	+	33.34	Conglomerates	+	8.96
Merchant Banks	+	31.99	Electronics	+	7.99
Electricals	+	26.66	Hotels & Leisure	+	6.56
Telephone Networks	+	26.64	Capital Goods	+	5.03
Engineering-General	+	25.43	Food Retailing	+	2.72
Consumer Group	+	23.91	Financial Group	+	2.29
Stores	+	23.79	Motors	+	1.25
Other Industrial Materials	+	22.20	Water	+	0.80
Other Groups	+	19.85	Oil & Gas	-	2.27
Transport	+	19.20	Insurance Brokers	-	3.99
Industrial Group	+	18.74	Building Materials	-	8.45
Media	+	17.24	Property	-	10.07
Brewers & Distillers	+	16.85	Contracting, Construction	-	11.98
Electricity	+	15.85	Insurance (Composite)	-	14.89
500 Share Index	+	15.66	Engineering-Aerospace	-	18.35
Investment Trusts	+	14.79	Metals & Metal Forming	-	21.80
Food Manufacturing	+	14.38			

COMMODITIES

WEEK IN THE MARKETS

Zinc market resumes upsurge

THE MYSTERIOUS upsurge in the zinc market, which faltered at the end of last week, appeared to be back into its stride yesterday. And this time traders were able to point to some justifying factors, including concern about the tightness of supplies for delivery early next year and the possibility of Centromin, the Peruvian state-owned mining corporation, declaring *force majeure* because of industrial action that began on November 12.

Ironically, the absence of such factors had been seen as contributing to the original rise, which had lifted zinc prices at the London Metal Exchange by about $200 from the life-of-contract low reached two and a half weeks earlier. Although many traders thought the rally had gone too far, especially as demand was still slack and LME stocks were at a record level, there was a reluctance to oppose a trend they could not explain.

Selling emerged, however, when the three months delivery position topped $1,200 a tonne on Friday of last week. That continued on Monday and the market remained nervous until Wednesday, when the price dipped below $1,170 a tonne. But then the buyers returned, and by yesterday's close the three months price was quoted at $1,192.50 a tonne, up $7 on the day and $12 on the week.

Supply tightness was also the dominant influence on the copper market this week. Concern over the availability of metal to cover a large options position due for declaration next week helped to lift the cash price by £50 to £1,367 a tonne at one stage and to widen its premium over metal for delivery in three months from £26.50 to £47.50 a tonne.

LME WAREHOUSE STOCKS (As at Thursday's close) tonnes		
Aluminium	+10,450	to 836,925
Copper	+1,550	to 302,325
Lead	-675	to 118,625
Nickel	+726	to 9,426
Zinc	+2,550	to 157,000
Tin	+310	to 13,095

The bubble burst on Thursday, however, after the International Wrought Copper Council, which represents producers and consumers, called on the exchange to investigate "distortions in the market". Although no overt action was announced by the LME in response to the IWCC's open letter the cash price quickly dipped to close yesterday at £1,312.50 a tonne, narrowing the "backwardation", as the cash premium is called in the trade, to £12.75 a tonne.

At the London bullion market the gold price on Monday extended last week's $12.55 rally before faltering just below $370 a troy ounce as traders discerned signs that the market had become "overbought". Modest falls were sustained later in the week in what was seen partly as a technical correction and partly as a response to the a fall in the silver price. But buyers reappeared yesterday as rumours resurfaced that come sort of collaboration to support the market was planned by the South Africans and the Russians. By the close gold was quoted at $366.35 an ounce, down $2.10 on the week.

The coffee market had a fairly lively week, although prices finished little changed on balance.

Bearish chart patterns and selling by a French trade house prompted a sharp fall in the first half of the week that took the January robustas position at the London Futures and Options Exchange down to $560 early on Wednesday. An apparently bullish report from London trade house E.D. & F. Man, putting the 1992-93 Brazilian crop at 19.5m bags (60 kg each), down from a projected 26.5m bags in 1991-91, seemed to have been largely ignored. Traders then decided, however, that the technical retracement from last week's seven-month high had probably been completed and, in view of the continuing worries about nearby availability of good quality supplies, they resumed buying with some enthusiasm. A £16 rise yesterday took the January delivery price to £619 a tonne, leaving last week's high £10 behind.

African coffee producers agreed on proposals for a return to International Coffee Organisation export quotas, suspended in July, 1989, at a three-day meeting in Arusha, Tanzania, this week. And delegates said they were optimistic about the organisation's meeting in London next week, which will coincide with the first meeting of a working group set up to look into proposals for a new International Coffee Agreement.

However, Brazilian officials said yesterday that the meeting was likely to discuss principles rather than go into any detail. Meanwhile, Brazil's president, Mr Fernando Collor de Mello, is due to discuss the coffee question with his Colombian counterpart, Mr Cesar Gaviria in a bilateral meeting on the fringes of a Latin American summit starting on Monday in the Colombian city of Cartagena.

Richard Mooney

APPOINTMENTS

Lover of the medium

The Contemporary Art Society (CAS), whose mission is to interest museums, companies and individuals in contemporary British painting and sculpture, has found a new chairman following the death of Adrian Ward-Jackson in August.

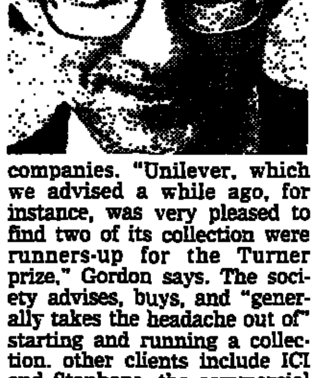
David Gordon, chief executive of the Economist group and a director of the Financial Times, claims to be no great expert on the subject, but as a lover of the medium he is keen to heighten the society's profile and, crucially, see it better funded. He already has plenty of contemporary art connections; with his encouragement, the Economist is an active corporate patron of young artists and sculptors. He is vice chairman of the South Bank Board and has been on the council of the Royal College of Art.

Ward-Jackson, who was an art consultant, chaired the society for a year before his death.

CAS is currently celebrating its 80-year history with a touring exhibition, running at the Hayward Gallery from next Tuesday, showing a range of past acquisitions including works by Augustus John and Francis Bacon. The society is proud of its buying record – and persistence; in 1946 it apparently took 6 years to find a museum prepared to accept the gift of a Francis Bacon painting.

Part of next year's buying will be directed to building up contemporary collections at three regional museums, Hull, Eastbourne and Wolverhampton. At just £90,000 this year, the total budget for museum donations has been very restricted: "far too small" Gordon concedes. One of his main tasks will be to look for additional sources of funds. At the moment the single largest source of cash arises from profits at the annual art "supermarket" in Covent Garden.

One route will be to expand the society's advisory role with



companies. "Unilever, which we advised a while ago, for instance, was very pleased to find two of its collection were runners-up for the Turner prize," Gordon says. The society advises, buys, and "generally takes the headache out of" starting and running a collection. other clients include ICI and Stanhope, the commercial developer responsible for Broadgate in the City of London. While competing with a growing number of corporate art buffs, Gordon says the society has the advantage of complete independence.

Dower House

The COUNTRYSIDE COMMISSION has chosen Michael Dower, whose father was a key figure in the creation of Britain's national parks, as its new director general.

Michael Dower, 58, has been national parks officer of the Peak District for the past six years, and has a background as a town planner and chartered surveyor.

His father, John Dower, was the author of the 1945 government report that paved the way for the national parks of England and Wales, and the commission now sits in John Dower House in Cheltenham. He died in 1947. The Dower family has otherwise been active in conservation; both Michael's mother and his brother have been long-serving commissioners.

A government agency funded by the Department of the Environment, the commission set up a national stewardship scheme in June to resuscitate parts of the English landscape; this involves farmers and other landowners recreating habitats from water meadows to heather moorlands, rebuilding dry stone walls and the like. It is also in the process of promoting 12 community forests encircling various urban areas, including one in east London, which will concentrate on providing recreational facilities. There will also be a new national forest of some 150 squares miles in the Midlands, the precise location of which will be announced shortly.

■ Roderick Sutherland, who founded the Edinburgh institutional stockbrokers RODERICK SUTHERLAND AND PARTNERS in 1989, is ceasing to be chief executive and becomes non-executive chairman. New chief executive is Ken Brown, formerly managing director.

Brown explains that the company had moved from specialising in soft commission broking – under which brokers refund part of their commissions from fund managers in the form of services – to conventional institutional broking, which required hands-on management by a stockbroker.

Unlike Brown, Sutherland is not a stockbroker but will remain "at the core of the business on a full-time basis".

Granada and Compass moves

The senior management shake-up at the GRANADA Group, the television, leisure and computer services organisation, went a step further yesterday with the announcement that Charles Allen is to replace Bill Andrewes as head of the leisure division.

Allen was until recently an executive director of Compass, the contract catering and health services concern. Gerry Robinson, Granada's newly-appointed chief executive, was also previously with Compass. Robinson was brought in to replace Derek Lewis, who resigned last May.

Andrewes will step down from his positions as chairman of the leisure division and director of the Granada board at the end of the year. Allen joins Granada on Monday as chief executive of the leisure division. Meanwhile, Chris Bucknall, who was a member of the original COMPASS buy-out team from GrandMet in 1987, and has been md of Norwest Holst for a year, is returning to the group as md of Compass Services, in Allen's place.

Departures

■ Martin Gatto, finance director of Hilton International, is resigning from the LADBROKE GROUP. His resignation follows shortly after the move of the md of the British hotels division, David Michels, to Stakis.

■ Graham Hodson has resigned as a director of PFG HODGSON KENYON INTERNATIONAL.

■ Peter Woodhart has resigned as corporate services director of SOUTHERN ELECTRIC.

■ Ronald Hooker has retired as a non-executive director of GEI INTERNATIONAL.

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AUTHORISED UNIT TRUSTS

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Abbey Unit Tst Mngrs (1000)H						
80 Holdenhurst Rd, Bournemouth 0345 717373						
High Income						
Gilts & Fixed Int	6	115.9	115.9	123.0	+0.6	9.35
High Inc Equity	6	125.6	128.0xd	137.0	-1.0	6.20
Worldwide Bond	6	211.0	211.0xd	223.9	+0.4	6.70
Capital Growth						
American Growth	6	194.6	195.7	208.1	+1.8	1.07
Asian Pacific	6	119.5	122.0	129.7	+0.1	1.21
Assets & Earnings	6	174.1	177.0xd	189.1	-1.1	3.17

[illegible]

Bishopsgate Progressive Mgmt Co (1200)F
15 St James' Place, London SW1A 1NW 071-493 8111

[illegible]

Commercial Union Tst Mngrs – Contd.

[illegible]

Confederation Funds Mngt Ltd (1200)F

[illegible]

GA Unit Trust Mngrs Ltd (1000)H
PO Box 237, York YO1 1LA 0345 581067

[illegible]

GT Unit Managers Ltd (1200)H
8th Floor, 8 Devonshire Sq, London EC2M 4YJ

[illegible]

INVESCO MIM UT Mngrs Ltd – Contd.

[illegible]

M & G Securities – Contd.

[illegible]

MGM Unit Managers Ltd (1000)F
MGM House, Heene Rd, Worthing

[illegible]

NFU Mutual Unit Mngrs Ltd (1400)F

[illegible]

NM Unit Trust Mngrs (1200)F
The Bilton Centre, North Harbour, Portsmouth

[illegible]

Royal Life Fd Mngmt Ltd (1000)F
PO Box 34, Peterborough PE2 0UF

[illegible]

Royal London Unit Tst Mgrs Ltd (1000)F
Royal Lon Hse, Colchester CO1 1RA

[illegible]

For Geoffrey Morley see Commercial Union

Murray Johnstone UT Mgmt (1000)H
7 West Nile St, Glasgow G2 2PX 0345 090 933

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Acumen	5	67.10	67.27	71.80	-0.38	5.64
Acumen Reserve	3	66.36	66.36	68.35	....	9.67
American Income	5	125.60	125.60	133.00	+1.80	3.56
Equity Income	5	78.09	78.51	83.79	-0.21	5.88
European	5	51.46	51.46	54.92	-0.27	1.27
Far Eastern	5	105.71	105.80	112.90	+0.90	0.95
Smaller Cos	5	47.42	47.42xd	50.60	-0.74	3.02
Olympiad	3¼	45.10	45.10	48.13	+0.18	0.73
Olympiad Income	3¼	41.82	41.82xd	44.63	+0.13	6.70
UK Growth	5	72.78	73.40	78.34	-0.38	1.72

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH
Tel: 071 – 379 – 0444.

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	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Sovereign Unit Tst Mngrs Ltd (1000)F						
12 Christchurch Rd, Bournemouth 0202 298422						
Cash	1	49.76	49.76	50.26	+0.01	10.6
Capital Premier	5½	47.96	48.23	51.44	+0.07	9.35
Ethical	5¼	47.63	48.61	51.72	-0.38	4.91
European Growth	5½	45.40	43.52	48.55	-0.06	3.1
Income	5½	45.08	45.55	48.59	-0.36	7.85
Intl Growth	5½	62.03	62.18	66.32	-0.01	3.44
Managed	5½	55.78	56.15	59.89	-0.32	4.74
UK Growth	5½	48.76	49.35	52.64	-0.58	5.92
Standard Chartered Equitar (1200)F						
6a Old Broad Street, EC2M 1QS 071-280 6521						
Mngd Exempt Acc	3	185.7	187.9	195.7	-1.6	3.14
Do Income	3	177.2	179.4	186.8	-1.5	3.14
Standard Life Tst Mngmt Ltd (0629)H						
3 George St, Edinburgh EH2 2XZ 0800 393777						
Managed Acc	5½	34.39	34.39	36.54	-0.2	2.61
UK Equity Gth Acc	5¼	45.90	46.79	49.72	-0.3	2.21
UK Eq High Inc Inc	5¼	29.53	30.24	32.14	-0.4	6.33
UK Eq High Inc Acc	5¼	33.20	34.01	36.14	-0.5	6.33
UK Equity Gen Acc	5¼	44.03	44.76	47.56	-0.3	3.55
UK Equity Gen Inc	5¼	34.45	35.03	37.22	-0.3	3.55
UK Larger Cos Acc F	7½	287.9	291.7	316.6	-2.3	4.76
UK Larger Cos Inc F	7½	231.8	235.0	255.0	-1.8	4.76
Gilt & Fxd Int Inc	5¼	27.18	27.25	28.82	.....	7.97
O'seas Larg Cos Acc F	7½	204.3	208.3	226.1	-0.6	2.24
Nth American Acc	5¼	32.79	33.00	35.07	.....	0.84
Far East Acc	5¼	39.40	40.38	42.91	-0.3	-
European Acc	5¼	32.52	34.16	36.30	...	1.65
[illegible] Ivory Unit Tst Mgrs Ltd (1200)H						
[illegible] Edinburgh 031-226 3271						
American	5	270.9	270.9	289.7	-0.6	0.90
(Accum Units)	5	318.8	318.8	340.9	-0.7	0.90
British	5	782.6	792.6	838.5	-10.0	6.18
(Accum Units)	5	1285.8	1302.2	1377.6	-16.4	6.18
European	5	312.3	312.3	332.6	-1.0	1.56
(Accum Units)	5	338.5	338.5	360.5	-1.1	1.56
Japan	5	109.4	109.4	116.3	+0.7	-
(Accum Units)	5	110.2	110.2	117.2	+0.7	-
New Pacific	5	169.2	169.2	179.9	+1.3	1.93
(Accum Units)	5	173.7	173.7	184.7	+1.3	1.93
PEP Nov 27	5	141.7	143.7	152.0	...	3.70

	Bid Price	Offer Price	+ or -	Yield Gr's
Funds in Court*				
Capital Nov 28	480.30	483.83	—	2.92
Gross Nov 28	179.59	180.97	—	10.78
High Yield Nov 28	279.39	281.62	—	7.81
* Restricted to monies under Court control				
Henderson Unit Trust Management Ltd				
Pensions Mngd	50.36	52.45	-0.31	3.96
INVESCO MIM Management Ltd				
Exempt Funds				
Intl Mngd P'Folio	1137.0	1226.0	—	-
Mngd Pens (Acc)	65.2	69.5	—	-
Lazard Brothers & Co. Ltd				
Property Sept 5	£2440.0	2600.0	—	6.00
Inc Gth Prp Apr 16	£1375.0	1460.0	—	7.20
Lazard Investors Ltd ##				
Exempt Funds				
Small Co's Nov 29	£3971.5	4143.4	-4.30	3.94
European Nov 29	£535.2	541	-5.90	2.10
American Nov 29	£331.7	335.5	+1.80	2.42
Japan Nov 29	£477.4	483.0	-1.5	1.35
Pacific Nov 29	£136.8	140.5	+0.40	1.97
W Midlands Sep 30	£147.60	164.90	—	2.48
Local Authorities Mutual Invest. Tst.*				
2 Fore Street, London EC2Y 5AQ 071-588 1815				
Property Oct 31	193.25	197.20	—	7.85
Equity Oct 31	896.05	908.60	—	3.97
* Available only to Local Authorities				
M & G Securities Ltd				
Charibond Nov 28	101.1		+0.1	10.66
(Accum Units)	596.99		+0.3	10.66
KAACIF Nov 26	40.67		—	9.67
Morgan Grenfell Investment Funds Ltd				
Exempt Funds				
UK Equity † Nov 29	121.3	130.4	-1.4	2.08
UK Small Co † Nov 29	538.2	599.8	-1.0	3.39
Fixed Interest † Nov 29	108.4	114.0	+0.7	8.77

INSURANCES

OTHER UK UNIT TRUSTS

Century Life Plc
2 Eyre Street Hill, London EC1R 5AE 071-278 4488

Eagle Star Life Assurance Co Ltd
Bath Road, Cheltenham GL53 7LQ 0242 221 311

Guardian Royal Exchange
Royal Exchange, EC3 071-283 7101

Legal & General – Contd.

Manulife Group – Contd.

Continued on next page

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N & P Life Assurance Ltd
6–7 Bedford Row, London, WC1R 4UJ 071-430 2349

	Bid Price	Offer Price	+ or −	Yield Gross
Life Managed Fd	103.7	109.2	.....	–
Pension Managed Fd	101.1	106.4	.....	–
Life Deposit Fd	110.9	116.8	.....	–
Pension Deposit Fd	117.7	123.9	.....	–

For National Fin see Target Life

National Mutual Life
The Priory, Priory Pk, Hitchin, SG5 2DW 0462 422422

	Bid Price	Offer Price	+ or −	Yield Gross
Harvester Pension Funds				
Managed	165.2	173.9	.....	–
UK Equity	173.2	182.4	.....	–
Overseas Equity	131.0	137.9	.....	–
Fixed Interest	154.3	162.5	.....	–
Property	132.9	139.9	.....	–
Index Linked	152.1	160.2	.....	–
Deposit	164.4	173.1	.....	–
With Profits (B)	134.5	141.6	.....	–

National Provident Institution
48 Gracechurch St, London EC3P 3HH 071-623 4200

	Bid Price	Offer Price	+ or −	Yield Gross
Managed	343.4	361.5	-1.5	–
UK Equity	427.5	450.0	-3.9	–
Overseas Eq	330.3	347.7	-0.8	–
Americas	278.0	292.7	+2.5	–
Far East	354.3	373.0	+0.5	–
Property	194.3	204.6	+0.4	–
Fixed Int	271.9	286.3	+1.1	–
Indexed Gilt	161.5	170.0	.....	–
Deposit	188.1	198.0	.....	–
With Profit	105.2	110.7	.....	–
Pension Fund (Accum Units)				
Managed	495.5	521.6	-1.7	–
UK Equity	579.9	610.5	-5.3	–
Overseas Eq	557.3	586.7	+1.8	–
Americas	349.5	367.9	+3.2	–

Providence Capital Life Assc. Co Ltd
2 Bartley Way, Hook, Hants RG27 9XA 0256 768888

	Bid Price	Offer Price	+ or −	Yield Gross
UK Equity Acc	216.3	228.2	-3.0	–
UK Fixed Int Acc	189.1	199.5	+1.0	–
Intl Equities Acc	164.9	174.0	-3.3	–
UK Managed Acc	169.3	178.5	-1.6	–
Property Acc	224.5	236.9	.....	–
Money Acc	133.9	141.3	.....	–
Special Market Acc	145.6	153.6	+0.7	–
Japan Equity Acc	95.6	100.9	+0.2	–
North American Acc	97.8	103.2	+0.9	–
Pacific Acc	92.4	97.5	+0.4	–
Technology Acc	116.2	122.6	+0.2	–
Nat Resources Acc	57.9	61.1	+0.2	–
European Acc	96.1	101.4	-2.3	–
Residential Prop Acc	90.6	95.6	.....	–
Swiss Equities Acc	32.1	33.9	-0.2	–
Hong Kong Acc	69.2	73.0	+0.7	–
UK High Inc Eq Acc	70.0	73.9	-0.8	–
Int. Fixed Interest Acc	60.8	64.2	+0.1	–
Int. Managed Acc	54.6	57.5	-0.7	–
HIP Managed Acc	115.3	121.6	-0.2	–
HIP Managed II Acc	99.5	104.9	.....	–
HIP Managed III Acc	106.9	112.7	-0.5	–
Total Investment Bond				
UK Equity Initial		146.7	-1.8	–
UK Fixed Int Initial		128.4	+0.7	–
Intl Equities Initial		111.2	-2.0	–
UK Managed Initial		115.0	-1.0	–
Property Initial		153.5	.....	–
Money Initial		91.4	+0.1	–
Special Market Initial		112.7	+0.5	–
Japan Equity Initial		74.0	+0.1	–
North American Initial		75.7	+0.6	–
Pacific Initial		71.5	+0.3	–
Technology Initial		89.9	+0.1	–
Nat Resources Initial		44.8	+0.2	–
European Initial		85.9	-1.9	–
Residential Prop Init		86.3	.....	–
Swiss Equities Initial		30.6	-0.2	–
Hong Kong Initial		65.8	+0.5	–
UK High Inc Eq Init		66.7	-0.7	–

[illegible]

OFFSHORE INSURANCES

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

GUERNSEY (REGULATED)

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

MANAGEMENT SERVICES

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)

هكذا من الأصل

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ISLE OF MAN (REGULATED**)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED**)

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

[illegible] are in pence unless otherwise indicated and those [illegible] $ with no prefix refer to U.S. dollars. Yields % [illegible] for all buying expenses. Prices of certain older [illegible] listed place subject to capital gains tax on [illegible] Distribution free of UK taxes. p Periodic premium [illegible] plans. s Single premium insurance. [illegible] Designated [illegible] Luxembourg as a UCITS (Undertakings for Collective [illegible] Investment in Transferable Securities). [illegible] Offered price [illegible] all expenses except agent's commission. [illegible] day's price. [illegible] Guernsey gross. [illegible] Suspended. [illegible] before Jersey tax. [illegible] Ex-subdivision. [illegible] Only available [illegible] charitable bodies. [illegible] Yield column shows annualised [illegible] NAV increase [illegible] dividend.
[illegible] funds not SIB recognised. The regulatory authorities [illegible] these funds are: Guernsey: Financial Services [illegible] Commission; Ireland: Central Bank of Ireland; Isle of [illegible] Financial Supervision Commission; Jersey: [illegible] Commercial Relations Department; Luxembourg: Institut [illegible] Monetaire Luxembourgeois.

WORLD STOCK MARKETS

US MARKETS (3:00 pm)

CANADA (3:00 pm)

AUSTRIA

BELGIUM/LUXEMBOURG

DENMARK

FINLAND

FRANCE

GERMANY

NETHERLANDS

ITALY

NORWAY

SPAIN

SWEDEN

SWITZERLAND

SOUTH AFRICA

JAPAN

AUSTRALIA

HONG KONG

MALAYSIA

SINGAPORE

Price data supplied by Telekurs.

INDICES

NEW YORK

DOW JONES	Nov 28	Nov 27	Nov 26	Nov 25	1991 HIGH	1991 LOW	Since compilation HIGH	Since compilation LOW
♦Industrials	(c)	2900.04	2916.14	2902.06	3077.15 (18/10)	2470.30 (9/1)	3077.15 (18/10/91)	41.22 (2/7/32)
Home Bonds	(c)	97.30	97.29	97.27	97.92 (12/11)	91.30 (16/1)	97.92 (12/11/91)	54.99 (1/10/81)
Transport	(c)	1174.14	1186.47	1185.72	1287.56 (18/10)	894.30 (7/1)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	(c)	219.08	216.57	213.32	220.89 (16/4)	195.17 (10/7)	236.23 (2/1/90)	10.50 (8/4/32)

♦Day's High (c) (2929.11) Low (c) (2883.72)

STANDARD AND POOR'S	Nov 28	Nov 27	Nov 26	Nov 25	1991 HIGH	1991 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	(c)	376.55	377.96	375.34	397.41 (13/11)	311.49 (9/1)	397.41 (13/11/91)	4.40 (1/6/32)
Industrials	(c)	443.97	445.76	442.65	472.01 (29/8)	364.90 (9/1)	472.01 (29/8/91)	3.62 (21/6/32)
Financial	(c)	29.97	30.20	30.05	32.54 (13/11)	21.96 (9/1)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	(c)	208.22	208.77	207.57	219.37 (13/11)	170.97 (9/1)	219.37 (13/11/91)	4.46 (25/4/42)
Amex Mkt. Value	(c)	370.00	370.66	371.04	392.37 (12/11)	296.72 (14/1)	397.03 (10/10/89)	29.31 (9/12/72)
NASDAQ Composite	(c)	522.78	522.23	522.88	556.17 (13/11)	355.75 (14/1)	556.17 (13/11/91)	54.87 (31/10/72)

	Nov 22	Nov 15	Nov 8	year ago (approx.)
Dow Industrial Div. Yield	3.15	3.10	3.05	4.06
	Nov 20	Nov 13	Nov 6	year ago (approx.)
S & P Industrial div. yield	2.80	2.67	2.72	3.42
S & P Indl. P/E ratio	22.79	22.04	21.19	15.37

NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Closing price	Change on day
RJR Nabisco	3,126,300	9⅝	+ ⅛
Philip Morris	2,213,200	68⅛	- 1⅛
Bristol Myers	2,186,800	77⅝	+ 1⅞
BankAmerica	1,821,200	31½	- ½
United Inc	1,803,900	24⅞	- ⅝
IBM	1,801,400	94⅞	- 3½
Glaxo	1,747,400	27½	- ⅛
Citicorp	1,602,200	10⅞	----
Texas Util	1,269,400	41⅛	+ ⅞
Adv Micro	1,246,100	14⅞	+ ⅛

TRADING ACTIVITY

† Volume (Millions)		Nov 28	Nov 27	Nov 26
New York SE		(c)	160.530	216.052
Amex		(c)	11.983	12.921
NASDAQ		(c)	134.410	172.793
NYSE				
Issues Traded		-	2,131	2,147
Rises		-	731	862
Falls		-	855	780
Unchanged		-	545	505
New Highs		-	29	26
New Lows		-	49	71

CANADA

TORONTO	Nov 28	Nov 27	Nov 26	Nov 25	1991 HIGH	1991 LOW
Metals & Minerals	2854.58	2850.03	2892.05	2901.46	3299.99 (18/7)	2632.06 (9/1)
Composite	3436.64	3440.12	3448.32	3443.47	3604.09 (12/11)	3161.95 (15/1)
MONTREAL Portfolio	1810.02	1811.19	1812.74	1811.96	1907.35 (12/11)	1686.89 (9/1)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poor's—10; and Toronto Composite and Metals—1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable

	Nov 29	Nov 28	Nov 27	Nov 26	1991 HIGH	1991 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1605.7	1604.7	1618.5	1620.2	1696.3 (8/11)	1204.5 (16/1)
All Mining (1/1/80)	638.5	640.5	646.5	646.0	707.2 (24/7)	561.6 (16/1)
AUSTRIA						
Credit Aktien (30/12/84)	412.41	413.87	414.22	414.77	534.61 (16/4)	385.58 (4/11)
BELGIUM						
BEL20 (1/1/91)	1069.06	1070.82	1076.60	1080.70	1212.15 (17/4)	917.59 (17/1)
DENMARK						
Copenhagen SE (3/1/83)	354.24	354.28	354.45	353.55	380.04 (2/8)	302.26 (8/1)
FINLAND						
HEX General (28/12/90)	847.1	831.1	823.2	825.9	1186.9 (8/4)	810.3 (14/11)
FRANCE						
CAC General (31/12/82)	477.39	480.22	481.59	477.68	503.51 (15/11)	394.88 (15/1)
CAC 40 (31/12/87)	1759.70	1754.88	1757.86	1768.97	1887.29 (1/10)	1425.26 (15/1)
GERMANY						
FAZ Aktien (31/12/58)	642.82	650.82	653.11	656.65	717.43 (17/6)	578.48 (15/1)
Commerzbank (1/12/53)	1814.60	1837.40	1844.00	1854.40	2036.2 (31/5)	1612.5 (15/1)
DAX (30/12/87)	1566.57	1588.16	1586.16	1602.87	1715.80 (11/6)	1311.82 (16/1)
HONG KONG						
Hang Seng Bank (31/7/64)	4149.80	4145.61	4179.30	4202.10	4271.34 (15/11)	2984.01 (16/1)
IRELAND						
ISEQ Overall (4/1/88)	1353.30	1353.03	1370.90	1379.16	1520.65 (15/3)	1114.86 (25/1)
ITALY						
Banca Com. Ital. (1972)	518.50	520.77	517.15	510.87	619.38 (3/6)	486.26 (29/1)
JAPAN						
Nikkei (16/5/49)	22687.35	22780.42	22973.28	23112.09	27146.91 (18/3)	21456.76 (19/8)
Tokyo SE (Topix) (4/1/68)	1731.30	1734.18	1750.57	1753.37	2028.85 (18/3)	1625.08 (17/1)
2nd Section (4/1/68)	2528.55	2541.38	2558.68	2558.13	3423.45 (10/5)	2473.52 (24/1)
MALAYSIA						
KLSE Composite (4/4/86)	532.09	532.32	536.18	537.07	635.02 (29/5)	470.41 (16/1)
NETHERLANDS						
CBS Ttl Rtn Gen (End 1983)	273.2	273.6	274.1	274.9	284.8 (5/6)	221.4 (16/1)
CBS All Shr (End 1983)	191.9	192.2	192.5	193.1	203.1 (5/6)	162.5 (16/1)
NORWAY						
Oslo SE (Ind) (2/1/83)	624.56	634.16	636.99	640.75	793.53 (26/8)	610.45 (21/1)
PHILIPPINES						
Manila Comp (2/1/85)	1088.08	1092.04	1094.99	1090.07	1183.48 (29/5)	582.64 (10/1)
SINGAPORE						
SES All-Singapore (2/4/75)	393.12	392.96	394.50	393.46	422.43 (26/4)	315.07 (16/1)
SOUTH AFRICA						
JSE Gold (28/9/78)	1233.04	1236.0	1242.0	1255.0	1469.0 (5/7)	971.0 (25/2)
JSE Industrial (28/9/78)	4220.94	4208.0	4222.0	4220.0	4364.0 (13/11)	2829.0 (16/1)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	652.47	660.73	649.03	649.32	763.10 (6/8)	590.57 (22/6)
SPAIN						
Madrid SE (30/12/85)	246.42	246.71	244.24	244.19	289.22 (18/3)	213.70 (14/1)
SWEDEN						
Affärsvärlden Gen. (1/2/37)	954.80	945.90	942.30	946.30	1149.8 (11/7)	808.4 (8/1)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	719.7	727.6	729.7	732.7	769.3 (14/11)	598.4 (14/1)
SBC General (1/4/87)	586.9	592.4	594.3	597.9	638.0 (31/5)	487.1 (14/1)
TAIWAN**						
Weighted Price (30/6/66)	4391.61	4483.58	4471.00	4529.62	6305.22 (9/5)	3316.26 (15/1)
THAILAND						
Bangkok SET (30/4/75)	671.07	667.86	668.60	664.57	908.13 (19/4)	582.48 (16/1)
WORLD						
M.S. Capital Intl. (1/1/70) ($)	499.9*	501.9	503.7	509.2	529.2 (17/4)	439.1 (16/1)

**Saturday November 23: Taiwan Weighted Price. 4505.80; Korea Comp Ex. 660.57. *Calculated at 15.00 GMT. ♦ Subject to official recalculation.
Base values of all indices are 100 except: BEL20, HEX General, ISEQ Overall and DAX – 1,000, JSE Gold – 255.7, JSE 26 Industrials – 264.3 and Australia All Ordinary and Mining – 500; (c) Closed. (u) Unavailable.

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WORLD STOCK MARKETS

AMERICA

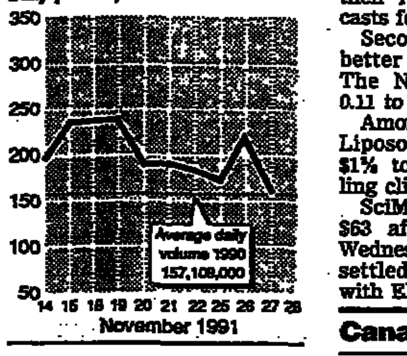
Dow eases in quiet trading before weekend

Wall Street

SHARES ON Wall Street slumbered yesterday morning, with many players extending Thursday's Thanksgiving holiday by staying at home for a second day, *writes Karen Zagor in New York.*

At 1pm, the Dow Jones Industrial Average was 4.47 lower at 2,895.57 in volume on only 47.4m shares. The Standard & Poor's 500 also fell, losing 1.23 to 375.32, and the New York Stock Exchange composite slipped 0.53 to 207.69. On the big board, declining issues led those advancing by a ratio of nine to five. On Wednesday, the Dow closed 16.10 lower at 2,900.04. The market was closed on Thursday.

NYSE volume



The Treasury market was similarly quiet. Overseas buying gave some strength to the long bond, which rose $\frac{1}{16}$ to 100$\frac{23}{32}$ at midsession, but volume was extremely thin.

There was a dearth of market-moving corporate news, reinforcing the stock market's lethargy. Among the few reasonably active issues, SmithKline Beecham eased $⅛ to $60⅞ on reports that development of its anti-ulcer medicine had been halted because it caused cancer in rats.

Olin lost $⅞ to $41¾ after the company filed for an offering of 2.4m preferred shares.

The passage of a bill in Congress giving $151bn to a six-year highway and mass transit plan breathed life into shares of machinery manufacturers. Caterpillar rose $1⅞ to $41⅞ and Ingersoll-Rand added $¼ to $44.

In over-the-counter trading, CMI Corp, which makes paving equipment and other heavy machinery, jumped $¼ to $2.

Philip Morris continued its downward journey, easing $¼ to $67⅞. The issue dropped $1⅞ on Wednesday after the company said it would take a $1bn non-cash charge for an accounting change and an additional $275m charge for restructuring.

IBM continued to exert its negative influence on the market, falling $1⅜ to $92⅞. The issue dropped $3⅞ on Wednesday after several analysts cut their ratings and profits forecasts for the computer group.

Secondary issues held up better than primary stocks. The Nasdaq composite rose 0.11 to 522.89 at midsession.

Among active Nasdaq issues, Liposome Technologies rose $1⅞ to $13⅞ and Noble Drilling climbed $⅜ to $3⅞.

SciMed Life tumbled $4 to $63 after climbing $8¾ on Wednesday when the company settled its patent litigation with Eli Lilly.

Canada

TORONTO STOCKS turned higher at midday, although trading remained quiet. The composite index rose 6.2 to 3,443.1. Advancing issues outpaced declines by 243 to 168 in volume of 11.4m shares valued at C$120.5m.

Among active issues, Toronto-Dominion Bank eased C$⅛ to C$17⅞, Ranger Oil was flat at C$9⅛, Computalog slipped 10 cents to 90 cents and Canadian Tire fell C$¼ to C$21⅞.

SOUTH AFRICA

JOHANNESBURG was mixed to higher. The overall share index rose 10 to 3,542, thanks to a 12-point rise in the industrial index to 4,220, but the all-gold eased 3 to 1,233. De Beers added 25 to R94.50 while Vaal Reefs fell R2 to R210.

Basle inflation dampens Swiss hopes of early rally

Corporate results and downgradings of forecasts have also been a burden on Zurich, writes **Ian Rodger**

A BOLT from Basle on Friday last week – in the form of an announcement of a resurgent inflation rate in the city – has dampened hopes in some quarters of an early rally in the Swiss stock market.

Uncharacteristically high inflation and interest rates have preoccupied investors in Swiss equities for most of the past two years. But hopes were growing in the early autumn that July's 6.6 per cent rise in consumer prices was a peak and that the rate would drop quite rapidly, bringing short-term interest rates with it.

Inflation figures in Basle and some other places are closely watched as early indicators of the national figure, which is published later. The November figure for Basle was an unexpected 5.9 per cent, and early this week Geneva chimed in with 5.8 per cent.

The Swiss stock market had already tumbled last week, first because of the nervousness radiating from Wall Street to all world markets and then in response to a disappointing third quarter report from the leading capital goods group, Asea Brown Boveri (ABB). So the bad news on inflation did little more than make already leery investors choose to sit on their hands.

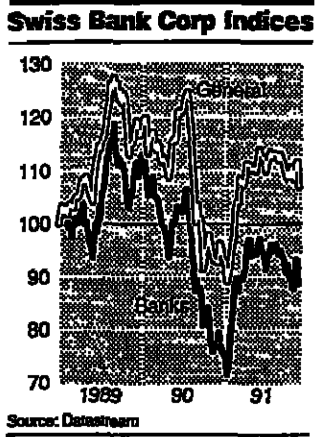
The all-share SPI index eased another 26.1 points or 2.4 per cent this week to 1,040.2, while the SMI index of leading shares gave up 43.3 to 1,622.6.

There was little movement in any shares other than capital goods issues, and they were moving decisively lower as analysts revised downwards their earnings forecasts for several big names, including Georg Fischer, Schindler, Sulzer and Von Roll.

The most dramatic fall was that of the bearer shares of Brown Boveri (BBC). The company's shares have been highly popular since the merger with Sweden's Asea four years ago, but analysts were deeply disappointed by BBC's third quarter statement published 10 days ago, indicating a slump in orders and no sign of the much hoped for recovery in the US to offset the weakening conditions in European markets.

This was in sharp contrast to the group's earlier positive statements about next year. "A lot of people thought ABB could do no wrong. Now there is a fundamental reassessment of what it can do," says Mr Jonathan Spink of Williams de Bröe, the broker.

Swiss Bank Corp indices



Source: Datastream

Since November 19, the day before the company's announcement, the shares have lost 14 per cent of their value, tumbling from SFr3,730 to stand at SFr3,210 yesterday.

Shares of Georg Fischer, another prominent engineering group, have slumped from SFr990 to SFr850 over the same period, while those of Schindler, the world's second largest lifts group, dropped from SFr3,650 to SFr3,300.

Against this, it is difficult to find any recent outstanding winners in the Swiss list. Even long-time growth favourites, such as Nestlé and Roche, have been dull. Nestlé, for example, was SFr8,340 yesterday, down SFr150 from its level before a quite upbeat autumn statement on November 21.

In spite of the bad news from Basle and Geneva, analysts are still pinning their hopes of a rally in the market on a decline in interest rates in the near future. Many believe that the November inflation rise is just a spike, reflecting mainly the implementation of indexed rent increases, and they think that the downward trend of August through October will reassert itself, clearing the way for an easing of monetary policy next year.

"We have an interest rate situation similar to that in the US a few months ago," says Mr Silvan Trachsler, head of broker research at Union Bank of Switzerland. As in the US, Mr Trachsler argues, rates could fall quite quickly, with more potential at the short end than on long-term rates. "Given the refinancing structure of most banks, they will benefit from short-term declines."

Mr Nigel Spence of Baring Securities goes further, arguing that the factors that have kept bank shares weak for the past few years are finally disappearing. These include high interest rates, low volume and excessive competition in Swiss stock brokerage, and rising operating costs. "Now is the time to buy [bank shares] for the reversal of these trends," he says.

Others point out that the big bank shares rose substantially early this year in anticipation of the strong recovery in earnings that the banks have been enjoying. Even though profits may grow well again next year, investor sentiment could be soured by a continuing stream of worrying news on bad loans, one Zurich dealer says. This is likely to persist, not only at the spectacular level of, for example, Swiss Bank Corporation's problems with the Maxwell group, but also at the mundane level of mortgage defaults and other property-related collapses in Switzerland itself.

UBS and Swiss Bank are the most popular of the bank shares among analysts these days. Attitudes to CS Holding are cautious, partly because of fears of more portfolio write-offs at First Boston, its US investment banking arm, and partly because of the pressure on its Crédit Suisse subsidiary to raise new capital in the near future.

Among the insurance companies, Mr Trachsler prefers Winterthur to Zurich because it has the better position of the two in the protected Swiss market, while Zurich Insurance has a much greater exposure to the still anaemic US market.

But, as has been the case for several months, much depends on inflation rates coming down to more normal levels by Swiss standards.

EUROPE

Soviet debt worries prompt active selling in Frankfurt

CONCERN ABOUT the Soviet Union undermined some bourses yesterday, while continued weakness in Norsk Hydro pushed Oslo to its lowest level since February 1989, *writes Our Markets Staff.*

FRANKFURT fell in nervous trading as Soviet insolvency fears prompted panic selling by domestic and foreign institutions. Dealers said, however, that yesterday's price falls were exaggerated and did not take account of the fact that German banks had made adequate provisions for their Soviet loans.

Some dealers believed that "bear raiders" were taking advantage of the market's nervousness to make a quick profit. But others said it was an overdue correction after Wall Street's drop two weeks ago. The DAX index fell to 1,562.55 before closing 21.59 down at 1,566.57, off 2.1 per cent on the week. The FAZ, calculated at midsession, fell 8.00 to 642.82, down 2.5 per cent on the week. Volume rose to DM5.2bn from DM3.5bn.

The banking sector was hard hit, with Deutsche dropping DM10.50 to DM655 and Dresdner falling DM5.50 to DM329. But BHF Bank was steady at DM389, supported by good 10-month results. Retailers were also weak on a pessimistic report by the Ifo economic institute on consumer spending in 1992. Karstadt fell DM12 to DM630 while Kaufhof dropped DM14.80 to DM460.20.

UK investors were seen selling their shares in Asko, which fell another DM57 to DM690 for a DM115 loss since Monday. Analysts said investors were worried about the impact on Asko of write-downs at Adia, the Swiss employment agency in which Asko has a 28 per cent stake. Asko had paid SFr1,100 per Adia share, but analysts said the shares were now worth only SFr440.

Trading in SEL was suspended at Thursday's closing price of DM415 before news that its French parent, Alcatel, was buying in the minority.

OSLO fell 2 per cent as the all-share index dipped below the 400 level. The index dropped 8.08 or 2 per cent to 395.55, a fall of 6.2 per cent on the week. Turnover was moderate at NKr330m.

Norsk Hydro lost NKr4.5 to NKr130 on worries over its metals business and earnings outlook, a fall of 13.6 per cent on the week.

Elkem A free shares shed NKr2 or 4 per cent to NKr48 on news that the Japanese government was investigating alleged dumping of ferro-silicon imports from Norway.

MILAN started on a firmer note but weakened on rumours, later confirmed, that the November settlement would be delayed. The Comit index fell 2.27 to 518.50, although it showed a 2.2 per cent rise on the week. Turnover was estimated at L120bn after Thursday's L116bn.

The Consob decided to postpone the settlement because of legal problems linked to the bankruptcy of stockbroker Mr Claudio Capelli.

Pirelli fell for a second day, this time on foreign selling, losing 1.7 per cent or L30 to L1,710 at the fixing and falling to L1,645 after-hours.

PARIS fell on Soviet worries, ending the week more or less where it started after last week's 6.5 per cent decline. The CAC 40 index dropped 15.18 to 1,739.70 yesterday, falling from the day's high of 1,761.50. Turnover was boosted by the expiry of options to about FFr2.15bn from FFr1.6bn.

One of the few stocks to regain investors' confidence was Total, up another FFr62 or 6 per cent at FFr1,090 on the day and 11.3 per cent on the week. In contrast, Elf Aquitaine fell FFr3.90 to FFr383.50, down 4.7 per cent on the week.

Perrier shed FFr60 or 4.6 per cent to FFr1,242, after the previous day's expected news of a two-thirds bid for Exor, its parent. Club Mediterranée fell FFr16 or 3.8 per cent to FFr400.50 before announcing a provisional loss in 1990-91.

FT-SE Eurotrack 100 - Nov 29

Hourly changes

Open	10 pm	11 am	Noon	1 pm	2 pm	3 pm	Close
1069.68	1068.05	1065.26	1063.70	1063.20	1062.84	1063.12	1062.86

Day's High 1069.68 Day's Low 1061.92

Nov 28	Nov 27	Nov 26	Nov 25	Nov 22
1070.76	1069.79	1071.48	1060.67	1066.84

Base value 1000 (26/10/90)

STOCKHOLM rose on the last trading day before the scrapping of the turnover tax on equity transactions. The Affärsvärlden General index rose 8.9 to 951.8, a gain on the week of 1.3 per cent. Turnover remained light at SKr223m.

BRUSSELS was depressed by Société Générale de Belgique, which lost BFr25 or 1.3 per cent to BFr1,900, on foreign selling and worries about next year's prospects. The Bel20 index slipped 1.76 to 1,069.06 – down 2.5 per cent on the week – in turnover of BFr531m.

AMSTERDAM came off the day's high in nervous trading. The CBS Tendency index opened at 89.4 but closed 0.5 lower at 88.6, down 2.1 per cent on the week. KLM lost Fl 1.10 before closing 50 cents lower at Fl 37.80, after ruling out a takeover by British Airways.

ATHENS edged lower, as the government outlined its austerity budget for 1992. The general index lost 4.72 to 832.54. **ISTANBUL** fell on profit-taking. The 75-share index lost 109.98 to 4,064.90, but rose 6.2 per cent on the week.

ASIA PACIFIC

Nikkei falls again on index-linked trading

Tokyo

SHARE PRICES fell back in the afternoon in index-linked trading dominated by arbitrageurs, after a blue-chip led rise in the morning, *writes Emiko Terazono in Tokyo.*

The Nikkei average closed 93.07 lower at 22,687.35, down 1.8 per cent on the week. The index hit a day's high in the morning of 22,965.07 on small-lot buying, but declined to a low of 22,538.33 in the afternoon as futures prices fell.

Volume rose to 250m shares from 220m, but institutional investors remained on the sidelines. Losses led gains by 618 to 285, with 194 issues unchanged. The Topix index of all first section stocks fell 2.88 to 1,731.30 and, in London trading, the ISE/Nikkei 50 index lost 10.27 to 1,285.49.

Bargain-hunting by foreign investors supported high-technology stocks. Traders were encouraged by the early rise in Hitachi, a benchmark for blue chip issues, but it failed to attract interest from domestic institutions.

Some domestic investors are reluctant to commit funds to the stock market for three reasons: the lack of buying support at the important level of 23,000; the weak interim profit results announced by companies recently; and the expiry of December futures contracts in mid-December.

"I personally think that price levels are cheap, but it's hard to convince the client in the current climate," said a trader at Dai-Ichi Mutual Life Insurance.

Further postponements of planned listings also depressed sentiment. Two regional banks said that public offerings of new shares had been cancelled. Nikko Securities said that it had shelved all planned new listings.

Hitachi Medical, which did not trade on Thursday, the first day of its second section listing, closed yesterday at Y5,400, 22.6 per cent lower than its public subscription price of Y6,984.

High-technology stocks were mixed. Hitachi rose Y10 to Y904 and NEC added Y20 to Y1,150 on foreign buying. However, more highly priced issues fell, with Sony down Y20 at Y4,350 and TDK Y10 at Y4,520.

Speculative issues fell on individual selling. Aids-related issues lost ground in active trading: Meiji Milk Products, which announced an Aids cure last month, lost Y110 to Y1,030 and Okamoto, the prophylactic maker, fell Y60 to Y1,110.

In Osaka, the OSE average lost 309.89 to 24,268.41 in volume of 16.7m shares.

Roundup

WALL STREET's absence overnight and an easier tone in Tokyo provided little direction for the Pacific Rim.

AUSTRALIA recovered from an earlier dip to end steady. The All Ordinaries index closed 1.1 up at 1,605.7, down 2.3 per cent on the week. Business was dominated by month-end options activity, and a A$35m portfolio trade via Ord Minnett in second-line stocks. Turnover rose to A$289m from A$225m.

NEW ZEALAND recovered most of its morning losses to finish little changed. The NZSE-40, which had fallen to 1,475.91, ended 1.25 down at 1,493.70, a loss of 1.5 per cent on the week. Turnover eased to NZ$13.8m from NZ$15.6m.

HONG KONG's midday gains were eroded by late position-squaring. The Hang Seng index rose 4.19 to 4,149.80, but fell 2.2 per cent on the week. Turnover shrank to HK$850m from HK$1.03bn.

SEOUL wiped out most of Thursday's gains on selling by disappointed investors, as rumours of government measures to boost the market remained unconfirmed. The composite index fell 8.26 to 652.47, down 1.3 per cent on the week. Turnover fell to Won171.7bn from Won203.5bn.

TAIWAN dropped 1.4 per cent, as weakness in speculative stocks spread. The weighted index fell 61.97 to 4,391.61, for a loss on the week of 3.4 per cent. Turnover remained light at T$19bn.

SINGAPORE's Straits Times Industrial index rose 3.97 to 1,453.20, but was steady on the week. Volume fell to S$44.1m from S$51.9m. **KUALA LUMPUR's** composite index fell 0.23 to 532.09, down slightly on the week. Volume fell to M$38.5m from M$42.2m.

BOMBAY gained 46.97 to 1,903.31 on the first day of the new account, as carry-forward charges were fixed at a lower level than expected.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	THURSDAY NOVEMBER 28 1991								WEDNESDAY NOVEMBER 27 1991					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1991 High	1991 Low	Year ago (approx)
Australia (69)	150.63	−1.2	126.46	123.80	126.80	127.86	−0.9	4.56	152.71	128.13	125.73	128.38	129.04	160.31	112.74	123.62
Austria (20)	167.92	−0.4	140.81	137.83	141.17	141.10	−0.3	2.03	168.55	141.42	138.78	141.70	141.48	222.37	153.86	195.72
Belgium (47)	131.98	−0.8	110.67	108.32	110.95	108.54	−0.5	5.46	133.04	111.62	109.52	111.84	109.09	151.20	118.04	134.93
Canada (115)	136.57	−0.1	114.52	112.09	114.80	112.24	−0.2	3.32	136.64	114.65	112.49	114.86	112.45	144.28	126.49	125.15
Denmark (37)	254.17	+0.0	213.14	208.63	213.68	216.84	−0.2	1.65	254.28	213.35	209.36	213.77	217.27	270.56	217.74	243.01
Finland (15)	78.21	+1.0	65.59	64.20	65.75	71.67	+1.0	3.40	77.43	64.97	63.75	65.09	70.99	125.15	77.43	105.45
France (109)	140.00	−0.2	117.40	114.90	117.68	121.27	−0.1	3.66	140.21	117.64	115.43	117.86	121.40	152.26	119.11	137.72
Germany (65)	111.47	−0.4	93.48	91.51	93.71	93.71	−0.4	2.46	111.88	93.87	92.12	94.05	94.05	125.35	94.15	114.79
Hong Kong (55)	170.70	−1.0	143.15	140.11	143.51	169.97	−1.0	4.37	172.44	144.68	141.97	144.97	171.66	176.14	119.62	121.36
Ireland (18)	155.28	−1.4	130.21	127.45	130.54	132.60	−1.3	3.78	157.46	132.12	129.64	132.37	134.30	182.46	132.88	151.10
Italy (77)	72.80	+0.6	61.05	59.75	61.20	66.20	+0.5	3.50	72.37	60.72	59.58	60.84	65.86	88.23	64.76	75.73
Japan (474)	132.00	−0.6	110.69	108.34	110.98	108.34	−0.9	0.79	132.84	111.46	109.37	111.69	109.37	146.97	118.23	120.94
Malaysia (68)	203.79	−0.7	170.89	167.27	171.32	215.64	−0.6	2.89	205.28	172.24	169.00	172.57	217.02	247.78	189.18	188.81
Mexico (17)	1321.52	+0.6	1108.18	1084.71	1110.97	4408.32	+0.6	1.16	1313.29	1101.91	1081.27	1104.05	4380.87	1404.83	534.45	579.07
Netherland (31)	143.38	−0.2	120.23	117.68	120.54	119.30	−0.1	4.52	143.64	120.52	118.27	120.76	119.45	148.25	125.70	133.79
New Zealand (14)	48.36	−1.4	40.55	39.70	40.66	45.66	−0.9	6.09	49.04	41.15	40.38	41.23	46.10	54.64	41.18	48.63
Norway (30)	169.21	−0.8	141.90	138.89	142.25	145.67	−1.0	1.77	170.66	143.19	140.51	143.47	147.15	223.24	169.21	223.64
Singapore (38)	207.20	+0.0	173.75	170.07	174.18	158.64	−0.4	2.20	207.19	173.84	170.58	174.17	159.21	213.93	151.63	153.56
South Africa (61)	268.72	−0.2	225.34	220.56	225.90	178.54	+0.1	2.75	269.35	226.00	221.76	226.43	178.41	271.99	173.00	174.21
Spain (53)	148.20	+1.7	124.27	121.65	124.59	114.63	+0.9	4.81	145.78	122.31	120.03	122.55	113.64	171.12	131.51	144.25
Sweden (25)	170.29	+1.2	142.80	139.78	143.16	148.99	+1.0	2.99	168.33	141.24	138.59	141.51	147.46	204.12	146.60	155.52
Switzerland (58)	94.40	−0.5	79.16	77.49	79.37	83.66	−0.4	2.42	94.89	79.62	78.13	79.78	83.98	100.67	82.17	87.46
United Kingdom (239)	172.02	−0.7	144.25	141.18	144.60	144.25	−0.8	5.17	173.24	145.36	142.62	145.62	145.35	187.44	156.27	166.91
USA (526)	153.25	+0.0	128.51	125.79	128.84	153.25	+0.0	3.17	153.25	128.58	126.18	128.84	153.25	161.59	125.95	127.77
Europe (825)	138.36	−0.3	116.02	113.56	116.32	116.77	−0.4	4.13	138.80	116.46	114.28	116.69	117.19	151.52	125.50	136.21
Nordic (107)	174.16	+0.4	146.04	142.95	146.41	145.04	+0.2	2.23	173.54	145.60	142.88	145.89	144.73	200.81	155.55	171.54
Pacific Basin (718)	133.38	−0.7	111.85	109.48	112.13	110.47	−0.9	1.13	134.28	112.67	110.56	112.89	111.51	145.92	117.86	120.76
Euro - Pacific (1543)	135.69	−0.5	113.79	111.37	114.06	113.75	−0.7	2.35	136.41	114.46	112.31	114.67	114.56	147.66	121.29	127.39
North America (641)	152.14	+0.0	127.58	124.89	127.92	150.48	+0.0	3.18	152.14	127.66	125.28	127.93	150.50	160.44	125.91	127.52
Europe Ex. UK (586)	118.04	+0.0	98.99	96.91	99.26	100.88	−0.1	3.37	118.09	99.08	97.25	99.30	100.96	129.80	103.58	117.40
Pacific Ex. Japan (244)	146.98	−1.0	123.26	120.68	123.58	130.20	−0.9	4.17	148.47	124.57	122.26	124.83	131.33	153.19	111.40	117.99
World Ex. US (1736)	137.89	−0.5	115.63	113.19	115.92	115.46	−0.7	2.38	138.58	116.27	114.10	116.50	116.22	148.18	122.32	128.04
World Ex. UK (2023)	139.17	−0.3	116.70	114.24	117.01	125.56	−0.4	2.38	139.55	117.09	114.91	117.33	126.04	146.16	120.06	123.03
World Ex. So. Af. (2201)	141.18	−0.3	118.39	115.89	118.70	126.88	−0.4	2.67	141.63	118.84	116.62	119.08	127.43	148.66	122.92	126.64
World Ex. Japan (1788)	148.71	−0.2	124.70	122.07	125.03	137.80	−0.2	3.55	148.96	124.98	122.66	125.25	138.04	155.59	126.69	131.29
The World Index (2262)	142.04	−0.3	119.11	116.59	119.42	127.35	−0.4	2.67	142.49	119.56	117.32	119.80	127.89	149.37	123.28	126.93

Latest prices were unavailable for this edition. USA market closed November 28.

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

BRITISH FUNDS - Cont.

Over Fifteen Years

[illegible]

Undated

[illegible]

BRITISH FUNDS - Cont.

Index – Linked

[illegible]

OTHER FIXED INTEREST

[illegible]

AMERICANS

Notes	Price £	+ or -	1991 high	low	Mkt Cap £m	Yld Gr's
Abbott Labs	32⅝xd	—	34⅝	20⅞	14,915	1.7
♥Allegheny & W	253p	—	385p	218p	121.1	7.2
Amdahl	718pxd	+5	19⅛	657p	788.8	0.8
Amer Cyanamid	41	+⅛	42⅛	25⅜	2,988	2.7
Amer Express	18⅝xd	—	17⅞	9½	4,999	5.3
Amer T & T	20⅝xd	—	24½	15¼	26,813	3.6
Ameritech	34¼	+¼	38⅞	32½	14,985	5.6
BankAmerica	17¾xd	—	28⅝	12⅞	3,858	3.6
Bankers NY	34⅞xd	—	28⅛	20⅞	2,813	7.8
Bell Atlantic	25⅝xd	+⅛	38½	24⅜	18,077	6.5
BellSouth	28¼	+⅛	31¼	25	12,732	5.9
♥Bethlehem Steel	6⅝xd	—	11¼	6⅞	604.6	3.4
Bowater	1143p	+5	1880p	1048p	409.6	5.8
CPC	45⅞xd	—	54⅝	37⅞	3,434	2.5
California Engy	815p	—	930p	420p	148.4	—
Campbell Soup	44⅞xd	—	50	28¼	5,561	1.8
Chase Manhattan	9	—	12¾	5⅞	1,211	7.6
Chrysler	6⅝xd	—	8⅞	5½	1,938	5.1
Citicorp	5⅞xd	—	10⅛	5⅞	2,838	—
Colgate-Palm	23¼xd	—	25⅝	21⅞	3,173	2.5
Cont'l Bank	487p	+3	929p	438p	332.2	6.6
Dana	14⅞xd	—	21⅝	13⅞	589.1	8.3
Data General	459p	+5	1283p	203p	225.1	—
Dial	24½xd	—	25⅝	12⅞	907.8	8.2
Dun & Brad	27⅞	+⅛	29⅝	20¾	4,887	4.4
Eaton	32⅝	+⅛	40	24¼	1,166	3.8
Echlin	8⅞xd	—	8½	5½	332.2	6.6
FPL	19½xd	—	20⅛	14⅛	3,162	6.9
Fluor	20⅝xd	—	30⅞	17⅞	1,889	0.9
Ford Motor	18⅝xd	—	23⅞	13⅛	6,459	4.1
Gen Elect	30⅞xd	—	46⅞	28⅞	32,909	3.1
♥General Host	381p	—	568p	270p	—	5.1
Gillette	24⅛xd	—	45¼	20⅞	5,275	1.4
Hasbro	20¼	—	20⅞	794p	1,186	0.7
Honeywell	32⅞xd	—	38½	21⅜	2,283	2.9
Houston Inds	23¼	+⅛	23¼	17⅞	2,697	7.2
IBM	53⅛xd	—	72⅞	52⅞	30,294	5.1
Ingersoll-Rand	24⅞xd	—	32½	18⅞	1,272	3.0
Lockheed	24⅞xd	+⅛	28⅛	18⅞	1,578	4.5
Lowe's	1882p	+10	2183p	1245p	689.6	2.0
Man Hanover ✦	19⅞xd	—	18⅞	9½	1,895	13.3
Merrill Lynch	27¼xd	—	32⅞	10⅛	2,838	2.1
Morgan (JP)	33⅞xd	—	38¼	21⅞	6,489	3.3
Morris (Philip)	38⅞xd	—	44¼	25⅞	35,895	3.1
NYNEX	42⅛	+⅞	48¾	33	8,852	6.0
♥Pac Agric	29½p	—	48p	15p	—	—

BUILDING MATERIALS - Cont.

Notes	Price	+ or -	1991 high	low	Mkt Cap £m	Yld Gr's	P/E
■Polypipe h	118xc	—	128	67½	181.9	2.1	17.[illegible]
■♣Calligotti ✦	25	—	48	25	7.28	8.2	8.[illegible]
■RMC †	601	+3	748	485	977.8	5.1	11.[illegible]
♣Ramus	65	—	75	50	3.01	0.2	
■Redland †0	471	-4	658	480	1,592	7.1	13.[illegible]
Reskol	65	—	79	63	9.38	8.7	7.[illegible]
■Rugby	163	-4	265	135	473.1	5.3	12.[illegible]
Russell (A)	75	—	99	73	17.6	3.8	13.[illegible]
♣SWP	8	—	22	8	1.98	10.0	[illegible]
♣Sandell ‡	31	—	62	23	0.78	‡	
St Gobain FFr	£44	—	£49⅝	£33⅞	2,867	5.2	4.[illegible]
Sharpe & Fisher	80	-1	98	79	16.5	8.7	7.[illegible]
♣Shaw (A)	58	—	82	46	8.98	9.8	2.[illegible]
Sheffield Insuls	129	—	161	103	38.1	5.7	1.[illegible]
■Spring Ram †b	144	-4	185	62½	523.8	0.2	2.[illegible]
■Starmin H	16½	—	22	15¼	54.7	2.4	3.[illegible]
■Steetley	288	-13	424	257	428.4	8.9	1.[illegible]
■Tarmac	129	-5	285	128	948.4	11.6	1.[illegible]
♣Tilon	70	—	78	40	7.59	5.7	1.[illegible]
■Travis Perkins	229	-2	281	195	223.8	4.6	2.[illegible]
♣Tudor ‡	38	—	88	22	1.87	‡	
Ward Group ‡	88	—	288	98	24.9	‡	
■Wickes †g	84	-1	75	27	172.5	‡	
■Wilshaw	9¼xd	—	11¼	4¾	7.85	4.1	1.[illegible]
■Wolseley	388	-5	482	290	832.7	4.8	1.[illegible]
Worcester †	138	-1	158	87½	32.8	3.9	1.[illegible]

BUSINESS SERVICES

Notes	Price	+ or -	1991 high	low	Mkt Cap £m	Yld Gr's
■ADT $	318	+11	1210	291	373.7	—
AFP	60	+1	78	35	278.8	—
♣ATA Select	18	—	21	11	2.07	10.3
♣ATP Comms	3	—	7	4	0.63	—
Adam & Harvey W	188	-2	288	198	8.05	7.1
♣Air London	128	—	128	66	18.9	3.5
African Lakes	63	—	81	51	4.28	4.2
♣Assoc Energy	4	—	8	2½	1.11	—
■Auto'ted Sec †	124	-5	278	109	198.8	5.3
■BET	208xd	-1	233	67	1,883	8.5
■BNB Res †	83	—	118	76	28.8	7.4
Barbour Index	177	—	178	137	28.6	5.0
■Boustead ‡	28½xd	—	48	22	22.8	‡
Brooks Service ‡	101	—	118	90	12.1	‡

CONTRACTING & CONSTRUCTION - Cont.

ENGINEERING - GENERAL - Cont.

HEALTH & HOUSEHOLD - Cont.

INVESTMENT TRUSTS - Cont.

HOTELS & LEISURE

ELECTRICALS

CANADIANS

ELECTRICITY

CHEMICALS

FOOD MANUFACTURING

INSURANCE BROKERS

BANKS

INSURANCE COMPOSITE

ELECTRONICS

CONGLOMERATES

INSURANCE LIFE

BREWERS & DISTILLERS

INVESTMENT TRUSTS

FOOD RETAILING

CONTRACTING & CONSTRUCTION

BUILDING MATERIALS

HEALTH & HOUSEHOLD

ENGINEERING AEROSPACE

ENGINEERING GENERAL

MERCHANT BANKS

METALS & METAL FORMING

MISCELLANEOUS

هكذا من الأصل

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

	Notes	Price	+ or -	1991 high	1991 low	Yld Gr's	NAV	Dis or Pm(-)
■Splent Inc		19½	-1	30	19½	28.6	23.5	12.8
Zero Div Pf		66½	-½	68½	58¼	–	–	–
Warrants		3¼	-¼	8½	3	–	–	–
Strata		147	—	154	104	7.2	177.2	17.1
Stratton		146½	-½	160	120	1.7	178.1	17.8
■TR City of Lon		111¼	-1	121¼	90	8.5	109.6	-1.6
■TR Euro Growth	s	94	—	104	78	1.4	96.6	2.6
Pfg Sub	s	56	—	58	40	2.4	–	–
■TR Far East Inc		78xd	-2	94	58	7.2	92.0	15.2
Warrants		17	—	28	12	–	–	–
TR High Inc	H	104	—	116	85	7.7	98.8	-7.5
Sub	9	34	—	36	24	6.5	–	–
■TR Pacific		67	+1	82	49	0.6	80.5	16.8
■TR Prop		27½	-½	37	27½	7.2	35.9	23.3
■TR Smaller		138	-1	165	98	3.8	148.8	7.3
■TR Technology	s	36	—	62	20	6.5	97.0	62.9
Stepped Pf		90½	-½	94½	70½	8.1	–	–
Zero Pf		154½	-1	158½	117½	–	–	–
■Temple Bar	f	253	-3	278	210	6.3	274.6	8.2
8pc 2002		£111½	—	£111½	£102½	5.4	–	–
Temple Em Mkts	ss	167	-2	173	92	0.6	165.3	-2.2
Warrants		60	—	63	27	–	–	–
1pc Cv 2001		£168½	-1	£167½	£90½	0.6	–	–
■Thornton Asian		59	—	72	55	1.1	69.6	15.3
Warrants		11	—	18	9	–	–	–
Thornton Pan Euro		27	—	31	25	4.5	30.8	12.2
Warrants		6	—	10	5	–	–	–
Throg Dual Inc		101	-1	109	93	11.6	–	–
Cap		336	-5	360	260	–	653.9	47.6
■Throgmorton		48	-1	64	45½	6.8	68.5	28.5
Warrants		15	-1	28	15	–	–	–
Throg USM		104	-1	110	81	4.7	126.7	17.8
Warrants		16	-2	27	14	–	–	–
Tor Inc		502	-2	533	400	10.3	–	–
Cap		650	-30	736	585	8.8	1003.3	35.3
Tribune		233	-4	256	189	3.4	274.1	15.0
Trust of Prop		54	—	77	40	3.4	79.0	31.6
USDC		151	-1	166	133	3.8	195.5	22.8
US Smaller Cos		94	-1	106	94	–	92.1	-0.1

MISCELLANEOUS - Cont.

OIL & GAS - Cont.

PACKAGING, PAPER & PRINTING - Cont.

STORES - Cont.

MINES - Cont.

OTHER FINANCIAL

TELEPHONE NETWORKS

TEXTILES

PROPERTY

MEDIA

MOTORS

TRANSPORT

MERCHANT BANKS

WATER

OTHER INDUSTRIAL MATERIALS

OIL & GAS

SOUTH AFRICANS

METALS & METAL FORMING

PLANTATIONS

STORES

MINES

MISCELLANEOUS

PACKAGING, PAPER & PRINTING

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-Actuaries Indices and FT-Actuaries World Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid-prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- ■ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ), and non-UK stocks which are quoted on SEAQ International
- ● "Tap Stock"
- • Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ♦ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Not officially UK listed; dealings permitted under Rule 535(2)
- # Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield, p/e based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment scheme

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
j Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings.
v Subject to local tax.
z Dividend yield includes a special payment
E Minimum tender price.
F Yield based on prospectus or other official estimates for 1990-91.
G Assumed yield after pending scrip and or rights issue.
H Yield based on prospectus or other official estimates for 1991.
K Yield based on prospectus or other official estimates for 1990
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1991-92.
N Yield based on prospectus or other official estimates for 1989-90
P Figures based on prospectus or other official estimates for 1991
R Forecast annualised yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xi ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1150 a year for each security shown, subject to the Editor's discretion

FINANCIAL TIMES
Weekend November 30/December 1 1991

Airbus, Boeing and McDonnell Douglas in fierce battle for contract

Dubai airline likely to place £1bn order

By Paul Betts, Aerospace Correspondent

EMIRATES, the fast-growing airline based in Dubai, is *expected to announce a £1bn* order for wide-bodied aircraft *before the end of this year.*

The airline held talks with Airbus, Boeing and McDonnell Douglas last week and is finalising its decision on a new fleet of up to 14 wide-bodied airliners worth a total £1bn.

Mr Maurice Flanagan, the airline's managing director, said *Emirates intended to place* firm orders for seven wide-bodies with options for a further seven.

He said the airline was still evaluating the three contenders *for the order, including the* Airbus A340 four-engine *long-range airliner*, the Boeing 777 twin-engine wide-body and the McDonnell Douglas MD-11 three-engine aircraft.

The Emirates deal has provoked a fierce contest between the three aircraft manufacturers which are all chasing new business in the depressed civil *aviation industry.*

Emirates, which was formed only six years ago, has until now been largely an Airbus customer. *It operates a fleet of* six Airbus A300/A310 wide-*bodies and is due to take deliv*ery of a further seven Airbus A300/A310s in the next two years.

It also operates three Boeing 727 narrow-bodied airliners, but Mr Flanagan said the carrier was planning to sell the two 727s it owned. The other *Boeing aircraft is on lease.*

Although in a strong position, Airbus faces tough competition for the order from the US manufacturers, which have intensified efforts to recover *market share in a Middle East* civil airline market dominated by the European consortium during the past three years.

Emirates is in the throes of a big expansion with plans to increase flights to new European destinations and to the Far East next year. In spite of the impact of the *Gulf war*, the airline continued to operate *profitably* in its financial year ended March, Mr Flanagan said.

It will also next year become the first airline to install a personal in-flight video entertainment system on all aircraft seats in the economy, business and first class cabins. These will have their own individual liquid crystal screens offering a large choice of films and other programmes.

Mr Flanagan said it would cost $1.4m (£790,000m) per air*craft to fit the new system. The* airline is also introducing satellite telephone communications for passengers in its wide-body airliners.

BA sale to GE cleared, Page 4
Air France results, Page 10

Injury time in battle for the Bridge

Jane Fuller on Chelsea Football Club's fight to keep its ground

CHELSEA Football Club's most famous fan, Mr John Major, will miss today's home match against Nottingham Forest because of other engagements.

It is perhaps just as well. If he went, the prime minister could hardly resist being drawn into the politics of the club's fight to keep its ground.

He would read in today's match programme that in spite of a demand *that Chelsea* pay £22.85m within 28 days for *Stamford Bridge*, its west London stadium, the "saga is far from over" and that "ultimately all differences will be resolved".

The brave talk comes from Mr Ken Bates, Chelsea's chair*man for the past nine years, who* has already fought off one attempt to evict the club as part of a property deal.

Mr Bates sees the future of Stamford Bridge as being the home for both Chelsea and Fulham *football clubs in a rebuilt* 40,000-seater stadium, surrounded by 256 flats, a 160-bedroom hotel and a sports centre.

The trouble is that Chelsea does not own the ground. Its lease expired in 1989. The release this week of the £22.85m independent valuation *of the ground finalised* a contract which the landlord, Cabra Estates, says is binding. The transaction is based on an option to buy exercised by Chelsea.

"Bates has no rights," Mr John Duggan, Cabra's chairman, said on Wednesday. If the *bill were not paid, Cabra would* pursue the club to the point of bankruptcy.

Cabra's chasing of the cash is part of it efforts to reduce net debts of more than £52m in a dead property market.

But Mr Bates said: "We won't pay £23m in cash *because* there are various matters to be taken into consideration."

He says the net amount will be reduced by £5m from Fulham, the third division side which is being paid by Cabra *to leave its nearby Craven Cot*tage ground, £3m to £4m for Chelsea's minority stake in SB Property, the subsidiary which owns Stamford Bridge, and an amount to resolve the five legal actions which Chelsea is pursuing against Cabra.

All red herrings, says Cabra.

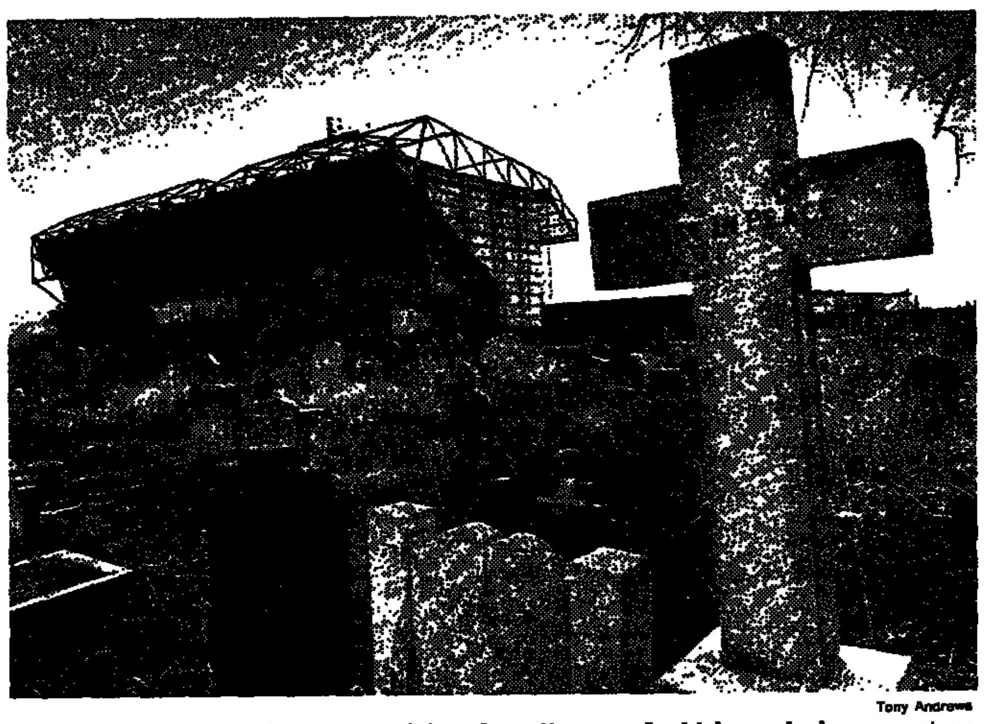
Mr Bates is biting his lip. He says he has the high moral ground and is in a conciliatory mood.

He recalls an amicable lunch with Mr Duggan the day after Cabra publicised its demand. But even the story of happy eating at *Harry's Bar* in London's West End involves a lit*tle bit of point-scoring*. "Duggan wanted the usual cheap wine. I wanted a fine Pouilly-Fumé." Mr Bates had his way – and he paid. It was his turn.

He is so relaxed about Chelsea's future that he will take *three days off next week to go* to Monte Carlo to celebrate his 60th birthday.

If his recent holiday in Hong Kong and Mauritius is any guide, this trip will prompt further speculation about the more or *less exotic sources of* finance that he might tap in *his efforts to* "Save the Bridge".

All he will say, apart from mind your own business, is: "I don't have to look for the money. I'm taking calls from would-be lenders."



Tony Andrews

Fight to the death: Chelsea faces eviction from its ground **which overlooks a cemetery**

At Fulham, there is a sense that the club's future also rides on the Bates-Duggan negotia*tions – even though Hammer*smith and Fulham council has so far stated that redevelopment of Stamford Bridge should not include ground-sharing.

Mr Jimmy Hill, the football commentator *and Fulham's* chairman, says moving into Stamford Bridge is the best choice for his club. "I have confidence that Chelsea, providing we are allowed to contribute £5m, will be able to meet the amount" required.

He said Mr Bates was "as fierce in defending Chelsea's interests as any defender I have ever encountered on the football field".

Mr Bates's pugnaciousness, *which has earned him a selec*tion of enemies, has found *many expressions. One of his* answers to hooliganism was to suggest putting an electrified wire on top of a high fence to keep "scum" off the pitch.

He had a spell on the Football League management committee before the club was fined *for making irregular pay*ments to players. "I disturbed the Football League's cosy way of life," he says.

If Mr Bates is right about the saga being far from over, it will continue a "war of attrition" that has gone on almost since he bought the club, *which unfortunately could not* afford to buy the ground.

Soon afterwards, Stamford Bridge was sold for £1.2m to Marler Estates (which was later taken over by Cabra). Ever since, property men have been trying to get football off what Mr Duggan called "the *best sites left in west London*".

Outsiders believe Chelsea has a mountain to climb. Most football clubs are struggling to make ends meet even before facing the burden of spending an estimated £360m to bring their stadia up *to the standards* required after the Hillsborough *disaster.*

Whatever their opinion of Mr Bates, most reckon that if any one can secure "the Bridge" for Chelsea, he can. One thing seems certain: the match is bound for injury time.

Negotiations progress on extra payments for tunnel contractors

By Andrew Taylor, *Construction Correspondent*

NEGOTIATIONS to resolve the row over claims by Channel tunnel contractors for substantial extra payments have made good progress, according to both sides involved *in the dispute.*

Eurotunnel, the Channel tunnel operator, and Transmanche Link, a consortium of five British and five French contractors building the tunnel, say *they are still apart but* the gap between them has narrowed considerably.

They stress talks are likely to continue into the New Year and that any solution must be acceptable to Eurotunnel, the contractors and the banks which have provided the bulk of the finance for the project.

Since 1987, the cost of financ*ing and building* the tunnel has risen, at current prices, from £4.8bn to £8.05bn. Eurotunnel has raised £8.9bn, of which all but £1.5bn is to come from international banks.

Transmanche is claiming extra *payments of up to £800m* at 1985 prices, including a £160m additional management fee, to cover the increased cost of fitting out rail tunnels under the Channel and building two passenger *terminals* at Folkestone, Kent, and Sangatte, northern France.

Eurotunnel this week won a High Court action aimed at preventing contractors from carrying out a threat to halt work on installing a cooling system in the tunnel unless they were paid sufficient money *for the job.*

Relations between Eurotunnel and Transmanche have improved. Contractors said this week that work on the cooling system had continued throughout the hearing and was almost complete.

The fitting out of mechanical *and electrical works in the tun*nel is a couple of months behind schedule but work rates have improved and some of the lost ground is being caught up, according to Eurotunnel.

Negotiations to resolve the *contractors' claims for extra* payments began five weeks ago between Mr Jack Lemley, chief executive of Transmanche, and Mr John Neerhout, chief executive in charge of managing the construction contract for Eurotunnel.

Eurotunnel has told the contractors that it has contingency funds worth between £200m and £450m at 1985 prices to cover possible claims – although not all this money *might* be available. The contingencies are bigger than previously thought but Eurotunnel says contractors will have to substantiate their claims under the terms of the contract.

Kenneth Baker guilty of contempt

Continued from Page 1

question mark over Mr Baker's political future.

Mr Roy Hattersley, the shadow home secretary, last night stopped short of demanding his resignation, instead calling for a frank statement to the House of Commons.

The Appeal Court decided by *2-1 that* "ministers and civil servants are accountable to the law and to the courts for their personal actions".

Lord Donaldson, Master of the Rolls (the senior civil judge), was severely critical of the Home Office's failure to stop the asylum seeker, a Zai*rean teacher, being placed on a* flight to Paris out of London's Heathrow airport *on May 1.*

That same day, the High Court had ordered a "stay" on the man's removal pending a court challenge, and the Home Office had given a court undertaking not to deport him.

"*There should have* been established lines of communication enabling the Home Office to cancel the departure of would-be immigrants in their custody *at the shortest* possible notice before take-off," Lord Donaldson said.

"It is a disgrace if there were not. If there were, it is a disgrace they were not used."

Lord Donaldson said Mr Baker was in contempt because of his "personal decision" in May to cancel the man's return flight to the UK.

He said Mr Baker's culpability fell "at the lower end of the scale" *as he had been wrongly* advised by lawyers.

In view of this, the court said it was not necessary to impose any penalty on him other than making him pay the legal costs. The Home Office *said later it would foot the bill.*

Mr Baker was granted leave to appeal to the Law Lords and said later *he would be consid*ering the judgment over the weekend.

CHIEF PRICE CHANGES YESTERDAY

FRANKFURT (Dm)			
Rises			
Hapag Lloyd	499	+	8
Falls			
Asko	690	–	57
Douglas Hldgs	689	–	19
Gerresheimer	405	–	10
Leifheit	548	–	12
Porsche	575	–	15
New York ($)			
Rises			
CMI	2	+	1/4
Caterpillar	41 5/8	+	1 5/8
Noble Drilling	3 3/8	+	3/8
Falls			
IBM	92 7/8	–	1 3/8
Olin	41 3/4	–	7/8
Smithkline Bchm	60 3/8	–	1/2
New York prices at 12.30pm			
Paris (FFrs)			
Rises			
Ecco	350	+	9
Eurocom	575	+	17
Falls			
BIC	606	–	14
Bouygues	526	–	17
Geophysique	615	–	12
Valeo	565	–	10
Tokyo (Yen)			
Rises			
Japan Aircraft	710	+	50
Falls			
Meiji Milk	1030	–	110
Meiji Seika	955	–	95
Morinaga Milk	610	–	50
Toyo Sanso	1480	–	140
London (Pence)			
Rises			
Br Aerospace	321	+	11
Calor	232	+	7
Domestic&Gen	1138	+	138
Psion	155	+	13
TGI	54	+	4
Wellman	31	+	2 1/2
Falls			
Cluff Res	42	–	5
Costain	54	–	8
GKN	291	–	13
Greycoat	115	–	10
Higgs & Hill	101	–	34
LASMO	272	–	15
Logica	211	–	15
Lovell (YJ)	32	–	64
Lucas Inds	112	–	7
Lynx Hldgs	40	–	6
Mowlem (J)	204	–	17
River&Merc Cap	85	–	11
Taylor Woodrow	144	–	8
Wates City Lon	102	–	6
Wilkes (J)	163	–	14
Wimpey (G)	135	–	12

EC ministers

Continued from Page 1

mon ground over new powers for the European Parliament.

Paris and London share the view that while some increased role for the parliament is acceptable, the Community should resist pressure from Germany to offer it substantially enhanced powers.

EC finance ministers meet tonight and tomorrow in The Hague, before moving to Brussels on Monday to continue talks. These will focus on the management and scope of the European Monetary Institute, which is to co-ordinate *national* monetary policies in the run-up to Emu; the balance *of power between governments* and the eventual European central bank in managing the single currency's exchange rate; and the degree to which non-Emu countries play a role in the European central bank.

Joining these ministers in Brussels on Monday and Tuesday will be EC foreign ministers, who will discuss unresolved political union disputes over foreign and defence policy.

These issues, together with complex arguments over new EC competences and law-making mechanisms, will probably only be resolved at Maastricht. "The essence of these negotiations is that you don't give too many tricks away early on," said a UK diplomat.

WORLDWIDE WEATHER

UK today: Western parts of England and Wales will be cloudy, with rain on the coast *and on high ground. Central and* eastern England will be dry. In the south, overcast skies will brighten later. Sheltered parts of eastern Scotland and north-east England will have *sunshine.*
Outlook: Colder: rain in the west and no

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	16	61	Bordeaux	S	11	52	Dallas †	C	19	66	Innsbruck	S	6	43
Algiers	C	17	63	Boulogne	C	5	41	Dublin	F	11	52	Inverness	C	9	48
Amsterdam	S	8	46	Bristol	C	10	50	Dubrovnik	–	–	–	Isle of Man	C	11	52
Athens	C	12	54	Brussels	S	9	48	Edinburgh	C	11	52	Istanbul	C	6	43
Bahrain	S	23	73	Buenos Aires	–	–	–	Faro	S	17	63	Jersey	F	9	48
Barcelona	F	14	57	Budapest	C	5	41	Florence	Fg	4	39	Johannesburg	F	28	82
Belfast	F	11	52	Cairo	F	19	66	Frankfurt	C	3	37	Las Palmas	C	20	68
Belgrade	C	6	43	Cape Town	S	22	72	Geneva	C	4	39	Leeds	S	11	52
Berlin	Fg	1	34	Cardiff	C	10	50	Gibraltar	R	15	59	Lisbon	F	12	54
Biarritz	F	10	50	Chicago †	R	4	39	Glasgow	C	12	54	Locarno	S	9	48
Birmingham	C	9	48	Cologne	F	5	41	Guernsey	C	9	48	London	S	12	54
Blackpool	C	11	52	Copenhagen	C	7	45	Helsinki	C	7	45	Los Angeles †	S	8	46
Bombay	S	29	84	Corfu	S	17	63	Hong Kong	–	–	–	Luxembourg	Fg	2	36

		°C	°F			°C	°F			°C	°F			°C	°F
Madeira	F	19	66	Nairobi	F	24	75	Prague	Fg	2	36	Tangier	C	14	57
Madrid	R	9	48	Naples	S	15	59	Reykjavik	S	1	34	Tel Aviv	T	15	59
Majorca	F	17	63	Nassau	–	–	–	Rhodes	S	17	63	Tenerife	F	20	68
Malaga	R	15	59	Newcastle	F	10	50	Rio de Janeiro	–	–	–	Tokyo	C	18	64
Malta	F	19	66	New Delhi	S	26	79	Rome	S	13	55	Toronto †	C	0	32
Manchester	C	10	50	New York †	C	10	50	Salzburg	C	2	36	Tunis	S	18	65
Melbourne	C	15	59	Nice	S	16	61	S'Francisco †	S	9	48	Valencia	R	14	57
Mexico City	–	–	–	Nicosia	F	17	63	Santiago	–	–	–	Venice	S	8	46
Miami †	C	25	77	Oporto	S	14	57	Seoul	S	11	52	Vienna	C	4	39
Milan	Fg	3	37	Oslo	S	2	36	Singapore	F	29	84	Warsaw	F	4	39
Montreal †	C	0	32	Paris	Fg	3	37	Stockholm	F	6	43	Washington †	F	8	46
Moscow	C	3	37	Peking	S	8	46	Strasbourg	Fg	1	34	Wellington	C	11	52
Munich	C	2	36	Perth	S	24	75	Sydney	S	27	81	Zurich	C	1	34

Temperatures at midday yesterday † Noon GMT temperatures C–Cloudy Dr–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sunny Sl–Sleet Sn–Snow T–Thunder

THE LEX COLUMN

More building subsidence

Few announcements from a small company have had such devastating implications for the market as yesterday's tidings from contractor and housebuilder YJ Lovell. Just *six months after a £30m rights* issue, Lovell is at the mercy of its banks. The company is planning to write off £62m, or double what was thought necessary at the time of the cash call, and it will not be paying a final dividend.

Besides the two-thirds fall in *Lovell's own price*, the market was surely right to punish the likes of Higgs & Hill, MacCarthy & Stone and Costain, whose share prices fell by 25 per cent, 16 per cent *and 13 per* cent respectively. Mowlem and Wimpey both ended the day 8 per cent lower. All these companies are vulnerable to further write-downs; the implication from yesterday's announcement is that Lovell's mainly south-east of England *land bank may be taking* another 10 to 15 per cent hit.

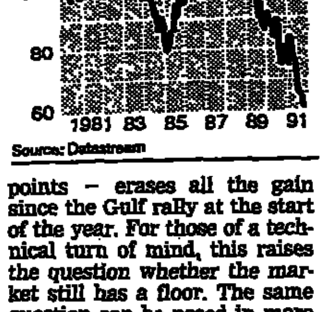
It is now clear that builders which tapped the market for *cash* in the spring squeezed through a very small window which has now slammed shut. *Whether managements* believed their own message at the time is impossible to say. But shareholders have learned their lesson the hard way, and will no doubt be wary for some time of glib corporate finance *documents talking of* opportunities for expansion.

The other question for the market is whether any dividend in the sector is safe now that Lovell has broken its rights issue promise. Cuts *undoubtedly should have been* made with the interim results *in September: but that would* have been too embarrassing with shareholders' cheques so recently cashed. Presumably it will eventually dawn on the builders that current payouts are unsustainable. The sooner companies stop trying *to hold* the line and take a more realis*tic five-year view the better.*

FT-SE Index: 2,420.2 (–8.4)

Contracting, Construction

Relative to All-Share (FT-A Indices)



Source: Datastream

Markets

The mere 26-point fall in the FT-SE this week masks a surprising shift in the market's preoccupations. *Last weekend,* the story was all about currencies: the rampant D-Mark, the plunging dollar, the whiff of a sterling crisis and the threat of a rise in UK interest rates. All that has now blown over. Instead, the equity market *is* gloomily preoccupied with *matters nearer home.*

The 10 per cent fall in the FT-SE since its peak three months ago – a total of 260 points – erases all the gain since the Gulf rally at the start of the year. For those of a technical turn of mind, this raises *the question whether the mar*ket still has a floor. The same question can be posed in more fundamental terms: whether investors, having gradually *lost faith* in a normal cyclical recovery, have any idea how long they *will have to wait.* Anecdotally, there is no shortage of bad news: Tesco and Sainsbury opening on Sunday, Ratners and Debenham desperately slashing prices, Royal Bank of Scotland nearly doubling its bad debt provisions. Morale is evidently suffering in *British boardrooms:* seven companies announced summary resignations by directors yesterday, while the chairman of another was arrested.

For the contrarian, all *this* sounds like a buying opportunity. A *yield* on equities 1.4 percentage points above the *headline* inflation rate is certainly unusual, though not unprecedented. The fact that the long gilt yield is only 1.9 times the equity yield is unusual as well. But if the UK is really moving to Germanic *price stability, the history of* the domestic market is scarcely a guide. Even if it were, it is worth recalling that a year ago, when the yield ratio was last as low as 1.9 times, it then fell further to 1.7. In today's market *this* would mean a further 160 points off *the FT-SE before it turned.* The contrarian may have a point, but few will have the pluck.

Water Sector

Now that the water companies' *interim reporting season* is almost over, a comparison with a year ago is instructive. Then, the average real dividend increase was around 7 per cent. If the last three compa*nies to report* are consistent, this year's real growth will be half that.

An obvious explanation is that the companies have become more sophisticated in their signals to the regulator. Their enthusiasm last year riled Ofwat into its aggressive stance on dividends and *raised* the broader issue of the indus*try's cost of capital.* It is convenient that the recession has applied sufficient pressure for the companies to justify restraint on trading grounds this time round. They must also realise that large increases are *politically unacceptable*, at least until an election clarifies things.

The gradual whittling down of their generous flotation terms suggests an unexciting future for water shares. Investors *can hang on in* the *hope* that full year dividends will be *rather higher.* But the regulatory game is being played by ever more complicated rules. Ofwat has indicated that 2 per cent real growth is reasonable ahead of the price review in 1995. It has also foreseen the *day when dividends from* the water business will merely match inflation. Put another way, the shares will become more like index-linked gilts than conventional equities. Companies will have to rely *entirely on unregulated earn*ings to produce a real increase in income. It is as well for investors that their share prices are not yet discounting that possibility.

Cable & Wireless

*Given the deadlock charac*terising negotiations between international telecoms regulators, Cable & Wireless was always going to have trouble increasing its penetration of the US market by anything other than organic growth. But its failure to purchase TRT/*FTC, a subsidiary of* Pacific Telecom, will probably not be the end of the matter. There is nothing stopping C and W from making another bid, and TRT/FTC may cost less a year from now.

*In the meantime, sharehold*ers need not be unduly concerned. The proposed £100m acquisition, which would have been dilutive in the short term, was a clever attempt to bend the normal US rules on foreign ownership. By scrapping the deal, C and W has made a neat *point about the US market's* lack of openness without much damaging its wider strategy of exploiting global deregulation while protecting its monopoly in Hong Kong.

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Weekend FT

SECTION II

Weekend November 30/December 1 1991

Pavarotti in the Park, arias as advertising jingles: never has high art been so accessible. Is it all for the good, or will commmercialism be the death of real opera? asks ***Andrew Clark***

Pop goes the opera

AMERICANS invented the soap opera. Now Europe has come up with opera soap. David Puttnam's new film, *Meeting Venus*, is the latest medium through which opera has reached a mass audience. Never mind that the film – a romp among the backstage dramas and disasters at a production of Wagner's *Tannhäuser* – is full of operatic clichés. Never mind that the ending is fantasy and the singing is dubbed. The fact that opera is the peg for a big-budget film suggests it is *no longer* stranded on the pedestal of high-brow art. Opera has entered the world of popular entertainment.

Opera on television, arias as advertising jingles, Pavarotti in Hyde Park – never in its 400-year history has the opera business been so popular. It is not just because it is more accessible, reaching people with no previous introduction to it. Opera is now commercially attractive. Over ten days last month, 100,000 people paid up to £40 for a ticket to *Aida* in Birmingham. At New Year, 90,000 will pay up to £55 for *Turandot* at the Wembley Arena. Marketed in a populist way, opera can attract those put off by *the "threshold fear" of entering* a traditional theatre. With higher box-office turnover than established opera companies, promoters can cover overheads and make a profit.

These developments add another twist to the debate about how opera should be funded. If these new operatic phenomena can pay their way without recourse to the public purse, why should traditional forms of opera continue to be so heavily subsidised? Thatcherism has left its mark on opera companies in Britain by forcing them to become more *self-sufficient. They have had to justify* their existence in market terms by earning more from box-office and sponsorship – both fickle friends. Companies are striving to broaden their appeal.

Cinema, television and jumbo-sized arena productions have a valuable role to play in popularising opera. But it would be wrong to assume that traditional forms of music theatre can survive on the same commercial terms. The two are entirely different. In *Meeting Venus*, technology helps Kiri te *Kanawa's dubbed voice sail over the* orchestra in a wonderful – but totally unrealistic – way. You would never hear it like that in an *opera house. In most arena* performances, the singers are miked and can be heard in the furthest corners. Producers and designers have to think big. Multiple casts go through the motions of a stage show. The finer nuances are missing, the repertoire is limited to a handful of operatic blockbusters. Instant entertainment value is at a premium.

This is fine if you want to treat opera as another product of the marketing revolution. However, if it is to be regarded as an art form, it *should not be subject to such compromises. Most operas were written* for theatres small enough to make intimate contact between stage and audience. By its very nature – because it is labour intensive and involves so many disciplines – *opera is the most expensive of the* performing arts. It has never paid its way. It was never meant to. In the 17th and 18th centuries, it was the preserve of the nobility, *financed by kings and courtiers. In* the 19th, it thrived on the growing attention of the bourgeoisie. In the 20th, the democratic state took over *financial responsibility. Only in the* US, with its tax incentives, does opera still count on the largesse of a few individuals.

Nobody today can seriously talk of opera being elitist. In central Europe, it has been a popular art *for a century or more.* In Britain, which had no permanent companies until after the Second World War, the tradition is shallower. But *expansion came quickly in the 1960s* and 1970s under the aegis of the Arts Council, fuelling demand which the philistine culture of the *1980s has failed to stem.* The lesson of the Thatcher years is that if you force opera companies to fend more *for themselves*, opera does become elitist. Take Covent Garden: the balance of the audience has shifted in favour of corporate customers, *many of whom care little about art* but are attracted by the social milieu – and can afford it.

Overdependence on corporate customers makes managements *cautious. Corporate customers will* soak up any number of *Rigolettos* or *Figaros*, but shy away from the untried or unknown. According to *Peter Jonas, general director of* English National Opera: "It disturbs the natural synergy between audience and stage. The artists aren't happy, the public isn't happy. Even at ENO, we are too expensive at the top of our price range. The only way to make the majority of performances available to a wide public is through huge amounts of public subsidy. That doesn't mean every *member of society is going to bene*fit – but you could say the same about any public service. If people want the arts, which they patently *do*, it is up to governments to cater for that demand. Opera is expensive. But it is a benign influence in society. We should try to do it well."

In spite of Britain's theatrical and literary traditions, government in *this country has a cool, commercial* attitude to the arts. Where else in Europe would a successful company such as ENO, which last season sold 450,000 tickets, have an uncer*tain lease on its theatre? On the* continent, these battles were fought and won decades ago. Citizens of all the great European cities accept *that* the provision of culture is a public function, even if only a minority use it.

The Paris Opera, which gives fewer performances than the Royal Opera and Royal Ballet, has twice the budget, 70 per cent of which comes in government subsidy (Covent Garden: 40 per cent). Ticket prices in Paris range from £5 to £56 (Covent Garden: £22 to £113). Less *than half a per cent of the Paris* Opera budget comes from sponsorship (Covent Garden: 17 per cent).

In no other European city is opera "privatised" to the extent it is in London. In Munich, the taxpayer subsidises 68 per cent of the Bavarian State Opera's £40m budget. In Geneva, city and cantonal authorities pay 73 per cent. The only cities with a top seat price comparable to *London are Vienna and Milan* – but even there most tickets cost half Covent Garden's, and the state contributes more than 70 per cent of the budget. It also maintains the *theatre property. In Lyon, the city* is spending £45m to renovate the Opéra building. But in London, Covent Garden has to adopt the role of *commercial* developer to finance improvements.

Why should Britain be so different from Italy, France or Germany? Opera has been part of their national heritage for much longer. After Purcell and Handel (who was German) in the late 17th and early 18th centuries, Britain had to wait until the premiere of *Peter Grimes* in 1945 before it could start talking *of a national school of opera.* Italians have the longest tradition: they invented opera at the start of the 17th century. Although the French regions were slow to catch on, Paris has been a great operatic centre since the late 17th century. Around the same time, opera became established as court entertainment in German-speaking lands.

The contrasting imprint of these *three great national schools* is clearly visible. For Italians, opera is still a case of *prima la voce* – a glorification of the voice. Most Italians can sing snatches of arias by *Verdi and Puccini. They like to par*ticipate in the virtuosity of singers, criticising them as soccer fans criticise individual players – Italians follow opera like a game. *Melody is* what matters, not harmony. They listen for the arias, they fidget in between: hence the proliferation of private boxes in Italian opera houses, allowing patrons to gossip during the boring bits. In Italy, opera is *the* essential form of theatre.

In France the emphasis has always been on the decorative aspect, *on entertainment. For the* French, the stage is a *divertissement*. Their word for performance is *spectacle*. It is all a big show – hence the fashion for grand opera in Paris in the mid-19th century. The philosophical element of opera is alien to the French.They like trendy stage directors, they adore the big diva behaviour and have a television programme, the Eve Ruggieri show, *to pander to it*. French audiences tend to look chic-informal; *le snobisme* at the opera is a term of artistic, not social, disdain. And art is a question of national prestige.

The Germans' artistic develop*ment came later and went deeper.* In Germany, opera has always been a medium for *Weltanschauung* – looking at the world in moral terms. Weber sowed the seeds with *Der Freischütz* (1821). Wagner actually complained about people who went to the opera wanting to be entertained. Germans approach opera as a theatre of ideas, but it is not intellectuals who form the backbone of audiences. Opera-going is more a bourgeois activity: it corresponds to *kleinbürgerlich* intellectual and philosophical aspirations – the desire to emulate something from above, based on German respect for hierarchy. Ordinary Germans speak of their artistic models *with reverence*: even non-theatre-goers would not mock Wagner and Goethe.

Theatre-going in German-speak*ing Europe is a way of life.* Hundreds of thousands of middle-class Germans have a subscription enabling them to see a number of operas at their local theatre each season: hence a much higher turnover of repertoire than other countries. The big theatres in Vienna, Berlin and Munich are open 320 days a year, like a factory. In Italy and the French provinces, most theatres (including La Scala) offer an annual *stagione* of seven or eight operas, and are rarely open more than 100 nights a year.

However distinctive these national cultures remain, there are common trends. Audience expectations are changing. According to Hugues Gall, director of Geneva's Grand Théâtre: "Audiences today come from a wider public than 40 years ago, but they are not so well *educated in music, they are less* able to judge the quality of interpretation. They watch opera on television and listen to the gramophone, and expect some kind of performance they cannot get."

Backstage, too, attitudes have changed. Singers are reaping the benefits of greater mobility. Egged on by agents, they have given up the idea of "serving art" in favour of a hard-nosed approach. Fees have rocketed, and are no longer commensurate with talent. But it is not the Domingos and Pavarottis who *are at fault: the problem* lies with the mass of middle-rank international singers, without whom most opera houses could not function.

How long opera can remain a creative grass-roots experience – catering for an ever-widening public without costing too much or losing quality – is a moot point. The repertoire is becoming dependent on a core of long-established works. No doubt governments will always subsidise opera so that new and forgotten works can be heard alongside the standard hits. But the more pop*ular opera becomes, the more it* seems to compromise its integrity as art. Opera is moving where technology takes it – into surtitles, computerised stage machinery, amplified voices, videos and mass marketing. The day may dawn when opera soap is the rule – when the tenor sings "Your tiny hand is frozen" into a microphone, an actress mimes to a perfect soundtrack, *and the fat soprano is a thing of the* past.

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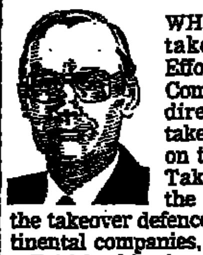
The Long View/**Barry Riley**

Lost art of the raiders



WHO NEEDS hostile takeovers, anyway? Efforts by the European Commission to devise a directive to regulate takeovers more or less on the lines of Britain's Takeover Code, with the banning of many of the takeover defences employed by Continental companies, are floundering.

British objections are mainly on the obscure but crucial ground that the delicate balance between statute law and self-regulation would be threatened, but on the Continent *it is seen more starkly* as an argument over the relationship between industry and the financial markets. In Germany and France the markets have traditionally been there to serve industry (and the government) whereas in Britain the City is seen as a self-standing financial industry able to build its own business and export its own services rather than being subservient to the rest of the economy.

The weakness of the industrial lobby has long been a feature of the British economic scene. The most talented and ambitious young go into the City's *financial markets, the professions and* the Civil Service rather than becoming soiled by manufacturing or tainted by commerce. It is regarded as right and proper that an accountant should be paid much more than a production manager, something that would make scant sense in Japan, for example.

I was struck by these thoughts during an entertaining day's conference on *Corporate Takeovers and the Public Interest* sponsored in Edinburgh last week by the David Hume Institute. A wide range of opinion was represented, but perhaps not wide enough. No industrialists got up to complain that the British system was rigged in favour of financial intermediaries. It seems that too many company bosses have been persuaded that takeovers just might occasionally be useful; and in general the industrial lobby has been neutralised by a few powerful acquisitive individuals. If hostile takeovers could not happen in Britain we would have to develop *other methods of forcing* change upon underperforming managers; investment managers decided, albeit reluctantly, to agree that the bid by BTR was the best way of tackling Hawker Siddeley's problems.

The colloquium arose from the David Hume Institute's study with the same title, written by Graham Bannock and Sir Alan Peacock and published in June. It suggested that there was no evidence that takeovers on balance do any economic good in the UK, and that various tax changes should be introduced to correct biases in the system. I discussed this here last July, agreeing with many conclusions, but suggesting more emphasis on changes that would make managements more accountable.

*Essentially the difficulty if you rec*ommend tax changes – for instance, removal of the tax breaks which channel savings flows towards unaccountable financial institutions such as pension funds – is that the tax structures are the reflection, not the cause, of British economic culture. Unless you influence the culture itself you are not going to get very far.

The Takeover Code is a classic manifestation of the British system. In any rational economy takeovers would be regu*lated by a tough ministry for industry.* Indeed, in the late 1960s, after various market scandals, legislation was threatened. But instead the City was allowed to come up with a self-regulatory code.

The ostensible purpose of this rule-book was to protect investors against perceived abuses such as the payment of higher prices in company takeovers to certain powerful investors than to the general public. Indeed, there is an *element of promotion of the public* interest. The *underlying* purpose, however, has been to protect the City's takeover industry against government interference, and in particular against possible Department of Trade and Industry legislation which might be *heavily influenced by an industry* lobby. Ever since, the code has been designed and run by merchant bankers, lawyers and stockbrokers, to their considerable enrichment.

Attempts by the European Commission to impose a kind of Takeover Code on, for instance, Germany will therefore get nowhere. The German industrialists will see it as serving the interests only of parasitical financial intermediaries of the kind that wrought havoc on the British and American corporate sectors during the 1980s. I have a lot of sympathy with their view.

The British system also facilitates takeovers through ultra-flexible accounting methods. When one company takes over another the impact can be very disruptive, and profits measured on any truthful basis are bound to be badly affected in the short term, *whatever the benefits in the long run.* But in Britain during the 1980s company accounts did not show this effect. Indeed, profits of acquisitive companies grew particularly smoothly and strongly.

This was because accounting methods had become highly artificial, and were designed to serve the business interests of the auditors' clients rather than to project economic reality. In a *number of important cases the profits* claimed by these takeover specialists have turned out to be not only smoothed but actually bogus, leaving the accounting profession *with a lot of* explaining to do.

The excesses of the late 1980s, culminating in a string of court cases and company failures, have created a big hangover. The City's takeover merchants face the uncomfortable possibil*ity that if there is harmonisation in the* future it could well be on the basis of the German rather than the British model.

The big question, perhaps, is whether the industrialists will rise to the occasion. They could start by taking control of the votes in their own pension funds and using them to promote long-term objectives, rather than by leaving them with fund managers who have no more constructive objective than to beat an index over a year or two. They could follow that up by pressing for new structures of corporate governance that would create links with broader interest groups and downgrade the role of the financial markets.

But in practice, pension fund managers say that the sponsoring companies are more likely to complain when they have too few bid targets in the portfolios, and short-term performance suffers. The culture will not change overnight.

London Markets

The arithmetic of optimism

"IT'S THE sign of a worried man," said one analyst this week, "*when a believer in economic fundamentals like me starts looking at charts*." He *was one of a number of market* forecasters whose optimistic predictions were looking vulnerable this week.

Even if, like him, you do not really believe in chart analysis, the smaller diagram alongside makes depressing reading. It shows that the UK stock market has retraced all the gains made since March and the end of the Gulf War rally: FT-SE closed *on Friday at 2420.2*; on March 5 it closed at 2420.1. Those who do believe in charts are sounding very gloomy, with FT-SE numbers like 2,200 showing up in their public forecasts and 1,900 being mentioned as a worst case in private conversation.

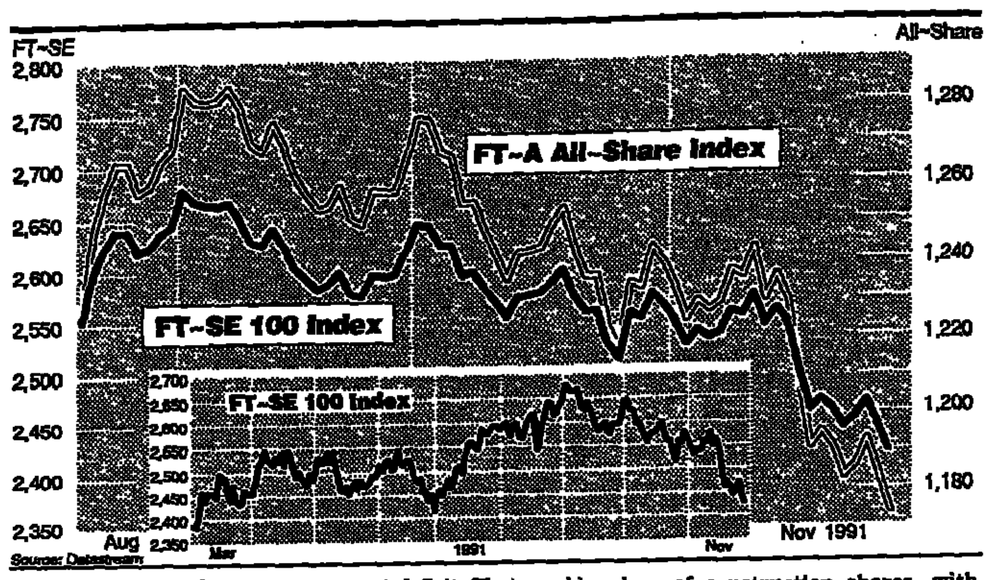
The economic fundamentalists remain, mostly, pretty positive. Yes, the economic recovery has been postponed a bit, they say, now that the good news of October has been followed by a gloomy November. *But it is still on the way* – February or March is the new consensus – and when it comes, UK *shares* will look cheap.

In fact, on most traditional measures, *they* look cheap already. The stocks in the FT-Actuaries All-Share index are now yielding over 5 per cent, a level regularly exceeded in the high-inflation 1970s but touched only briefly since the early 1980s. The "yield ratio" – the yield on long gilts divided by the yield on equities – *is firmly below two, a tradi*tional indication that shares are good value.

Looking out a bit further, the optimists are doing this sort of arithmetic, described by Paul Walton of *James Capel*: start by estimating what long gilts will be yielding at the end of next year – say 8½ per cent. Now look back in history and establish what the traditional gap has been between percentage earnings per share and gilt yields in periods of low inflation – answer, around 3 per cent. Taking 3 per cent from 8½ per cent gives you a theoretical end-1992 "earnings yield" of 5½ per cent (earnings *divided by share prices*).

From that, you can derive a notional end-1992 price/earnings ratio by calculating the reciprocal of 5½ per cent, which is 18.2. Today's share prices and tomorrow's earnings give an end-1992 p/e ratio *of around 11½ – which means* that over the next year, share prices might in theory rise by 58 per cent to bring the ratio from 11½ to 18. In practice, says Walton, *he*'s expecting only a 30 per cent rise or so, to take FT-SE to 3,200 by the end *of next year*.

This sort of calculation depends heavily on assumptions about what happens to share prices in a low inflation era. Most of the historical evidence is positive. The trouble is that ERM membership and the path to EC monetary union together take Britain into uncharted waters – raising *the possibility*, for example, of a once-for-all portfolio reallocation from equities to bonds. Robin Aspinall of Schroders is one of the people arguing that such a shift is feasible – and if it comes, he says, it would create a self-fulfilling bull market *in bonds*, far outweighing any downward pressure on gilt prices from the rising government deficit. That would make gilts the big play of next year, not equities.



Such big-picture ruminations apart, analysts have been *downgrading their earnings* estimates as the year draws to a close, and the economic recovery recedes. This has hit individual stocks, and it has also affected *whole sectors*. Bank stocks were hit by pessimism about bad-debt write-offs, *which showed up in a drastic* downgrade of National Westminster by Carr Kitcat & Aitken, and in results from Royal Bank of Scotland. In its year-end figures, Royal Bank revealed £351m in provisions against loan losses, a ratio of *provisions to assets more than* double that attained in the recession of the early 1980s. Royal Bank's shares closed the week at 166p, down 3p. National Westminster closed down 19p, at 288p; and Barclays at 367p, down 17p.

The other sector affected by bad news was construction. On Monday Sir Clifford Chetwood, *chairman of* Wimpey, told ministers that the industry was suffering worse than at any time in his 42 years in the business. Recovery was not expected till 1993, he said. The second blow came on Friday, when Y.J. Lovell, the medium-sized contractor, announced *it* was in "constructive discussion" with its bank and would *not* pay a *final* dividend. Lovell raised £31m through a rights issue only seven months ago. The news affected a wide range of construction shares, with those seen as most financially vulnerable, *such as Costain*, most affected. Lovell shares immediately dropped 61 per cent, to close the week at 32p, down 66p; Costain finished at 54p, down 16p.

Maxwell Communication, which rose early in the week *as the outlook* for the business seemed to be stabilising, dropped sharply when the board postponed announcing the results for a fortnight. The shares closed *the* week unchanged, at 36p.

British Telecom, ahead of next week's *closing dates for* applications from individual investors and bids from institutions in the government's £5bn share sale, rose 11p to close at 353p.

One big institutional investor bases his belief on a pre-Christmas rebound in the market partly on the view that there is just too much pessi*mism around – and partly on* the imminence of the BT sale. Institutions always hold back enough cash ahead of these privatisations to ensure they can take up the shares they are bidding for in full, just in case they get what they want, he says. Then when they get much less than they'd asked for, they find themselves sit*ting on too much cash, and* start buying again. In a week for theories, that one sounded *no more implausible* than most.

Peter Martin

HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1991 High	1991 Low	
FT-SE 100 Index	2420.2	-26.1	2679.6	2054.8	Economic/political worries
Argyll	286	+27	315	234⅞	Excellent figs/Sunday trading
BPB Inds	136	-21	245½	136	Profits halved/div forecasts cut
BTR	386	+19½	439½	289½	Success of Hawker bid
British Telecom	353	+11	423½	268	European presentations/sale looms
Edbro	265	+125	270	85	Acceptance of Marrel bid
Kwik Save	569	+33	623	464	Record profits
Laing (J) A	220	-30	347	220	Reduced profits/div estimates
Lloyds Abbey Life	*353*	*-28*	*442*	312	*UBS Phillips & Drew 'sell' rec*
NatWest Bank	*288*	*-19*	*357½*	247	*Carr Kitcat downgrades forecast*
Reuters	*905*	*+36*	1009	673	*Positive research*
Ritz Design	199	+14	201	101	Merger
Sainsbury (J)	346	+25	388	300½	Sunday trading sales optimism
Sun Alliance	286	-18	408	286	BZW increase loss estimates
Wilkes (James)	163	-16	180	94	Police investigation

Serious Money

Invest early for the recovery

By ***John Authers***

THIS MAY sound untopical. But I want to talk about investing *for* the recovery.

There are plenty of reasons not to be cheerful at *the moment*. *Last week saw a* mini-Sterling crisis, while the decision of Norwich *Union* to switch *into* bonds, described in the Bottom Line below, looks discouraging for *those who* want to invest in equities.

But the stock market's fundamental valuation tells a *different* story. As Philip Coggan pointed out in this column last *week, the London market is* now yielding more than 5 per cent. This is good value historically, and suggests there are opportunities for good long-term profits. *The problem* is how to take advantage.

Buying individual shares is *one of the harder ways to go* about it, *in spite of the heavy* incentives provided in the current BT flotation. *Small investors* find it difficult to take on the market unaided. That means enlisting the help of a unit or investment trust.

If you really want a chance to profit heavily from growth you might avoid the blue chip *or "widows and orphans"* stocks, as the chances for growth in companies which are already large and well known are limited. The best bet is probably a specialist "Recovery" or "Special Situations" fund. But be careful.

It is easy to be tempted by the allure of products with a "high risk" label. Small inves*tors like it, because they think* of it as some guarantee of high returns. Fund managers find *that* a "high risk" label is great for marketing – if the fund proceeds to die on its feet, they can at least tell disgruntled investors that they have delivered the promised high risk.

Some Recovery funds never recover. For example, Brown Shipley Recovery has dropped 24.2 per cent over the last five years, according to Finstat, and has only gained a relatively unimpressive 143.8 per cent over ten. Arkwright Recovery has done better over five years – it has only lost 14.6 per cent – but over ten it *has gained* a dismal 28.1 per cent. These figures are with income reinvested.

This sounds bad. However, many specialist funds do not carry a high burden of risk as *such – they just search for* value. Names like "recovery" or "special situations" summon *visions of fund managers* buying shares in a company just as the DTI inspectors have *been called in, and reaping the* rewards when their name is cleared and the shares take off.

In fact they are nowhere near as speculative.

The managers of the most spectacular equity growth funds do nothing so glamorous – *instead they are the ulti*mate value investors.

Here is the view of Kenneth Levy, *of* Capel-Cure Myers, whose stable of funds includes Capability Special Situations unit trust: "You have got to buy value."

His investment *philosophy is* based on copious research, and understanding companies before he invests. *But that* does not mean attempting to leap into a company which is under-rated by the market. Quite the reverse.

"*If everything* else is good but the share price is consistently underperforming, somebody out there *knows more* than you do. It is very dangerous to go into a recovery stock where the *fundamentals* are not looking good."

S*o much* for boldly buying where no man has bought before. As far as Levy is concerned, when investors buy shares because they *think* they know better than the market "seven times out of ten they are wrong".

His own decisions appear to be right more often than that – Capability *Special* Situations is currently top of the UK Growth sector over ten years, with 725.6 per cent growth, according to Finstat. Over five years it is eighth with 75.2 per cent. This has been done by spotting sectors which are due for strong growth – like pharmaceuticals over the last year – or researching companies and realising the potential of their new products.

Fidelity Special Situations, second over ten years with growth of 637.1 per cent, takes a similar view. Interestingly, it has a much stronger record than the same company's Recovery fund. A special situation might include a company which is due for recovery, according to Fidelity. But it might also mean taking advantage of a bid situation, or latching on to a strong sector.

Investment trusts provide another option. These have tended to outperform unit trusts over the last few years, mainly thanks to the erosion of discounts to net asset value. Now, the possibility of an increase in the discount might be an argument against investment trusts.

However, there are still bargains available in trusts operating in recovery-style stocks – *for example Fleming Mer*cantile, which is currently launching a big PEP promotion, stands at a 16 per *cent* discount. Investment trusts are inherently more volatile, but they also substantially increase opportunities. *Fleming Mercantile, essentially a* value-hunter also invests in other markets which some *regard as good* value, in Europe and the Far East.

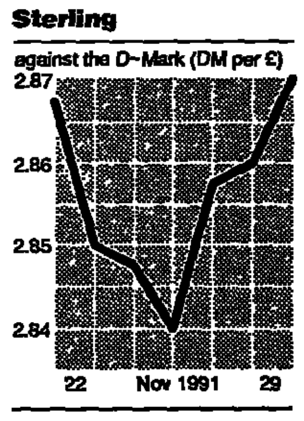
This is the kind of opportunity which it would be foolish to spurn. It is vital to be aware of the downside risks, but there are plenty of products, such as tracker funds or National Savings, with which you can balance your portfolio.

But forget about the mystique of high risk or the belief that good investment *performance is a* matter of luck. It is more likely that it is based on *hard* work and research. To paraphrase the the golfer Gary Player: "The harder *I* work, the *luckier I* get."

AT A GLANCE

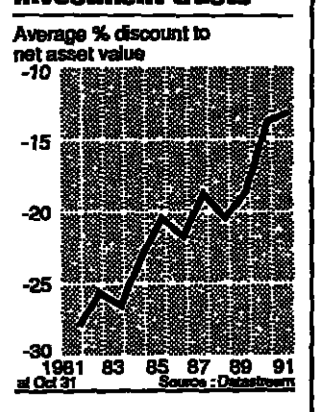
Sterling

against the D-Mark (DM per £)



Investment trusts

Average % discount to net asset value



Sterling weathers a worrying week

Fears that UK interest rates would have to rise increased earlier this week as a weaker dollar and stronger D-Mark contributed to sterling's weakness. *The pound dropped* to DM2.84 on Tuesday, forcing the Bank of England to intervene. There were also suggestions that the Bundesbank and the Bank of France were supporting sterling. Sterling recovered to DM2.87 last night.

Investment trusts find favour

Sentiment has a lot to do with the strong performance by investment trust shares in recent years. The graph shows the erosion of the discounts to net asset value at which investment trusts have traded, using research derived from research by S.G. Warburg Securities. Investors in the trusts *will have received this increase on top of any growth in the* underlying fund delivered by fund managers.
Warburg also published its first guide for the private investor this week, as part of the launch of its *Investment* Trust Manual for 1991-92. This publication is usually aimed solely at the professional investor. Warburg is predicting more new issues, feeding growing demand.

Southdown merger announced

Southdown Building Society, with assets *of £780m, is to merge with Leeds Permanent*. Southdown, which was created a year ago out of a merger between Sussex County and Eastbourne *Mutual*, is expected *to lose around £4m in* the present financial year.

Enterprise zones trusts offer

Two *new* tax *shelter enterprise zone trusts have been* launched. Collective Investments' EZT1 will buy three properties – one in the Clydebank zone and two in Telford. *Maximum capacity* in the fund is £8m, with a minimum investment of £15,000. The trust is underwritten to be formed by Friday December 20.
Property Enterprise Managers is launching PET16, a trust which will invest in four office buildings in Sunderland. Maximum investment is around £18m, and the yield before management charges is 7.5 per cent. It has a guarantee from Akela Developments, the developer, with a five-year bank guarantee.

New head at Alliance & Leicester

Alliance & Leicester, the UK's third largest building society, has appointed Mr Peter White as *its* new chief executive following the *surprise* decision of Scott Durward, 56, to take early retirement. A spokesman for the society at the weekend *declined* to comment *on suggestions of a possible* boardroom coup.

Smaller companies decline

Smaller company share prices again dropped this week but by a smaller margin compared with the previous week. The Hoare Govett Smaller Companies Index (capital gains version) *fell* by 0.98 per cent from 1234.8 *to* 1222.64 over the week to November 28. The County Small Companies Index fell by 0.74 per cent from 994.87 to 987.5.

Wall Street

Traders retreat to turkey and cranberry sauce

IT MUST have been with relief that Wall Street traders retreated to their turkeys and cranberry sauce on Thursday, America's Thanksgiving celebration. To judge by the torpor which *hung over Manhattan on Fri*day, no one was hastening back to their trading screens *the following day, either*.

The Dow Jones industrial average, which stood at more than 3,060 *two weeks ago, had* sunk by around 160 by Wednesday night – scarcely the sort of behaviour which makes for celebrations. Moreover, *since the first 120*-point drop on "Black Friday," only three of the subsequent trad*ing sessions had shown overall* gains in the index, while twice that number showed net losses.

The holiday week provided no additional comfort. On Monday, trading was mixed and muddled. True, the Dow *itself showed only a minimal* loss overall – less than one point – but the Nasdaq Com*posite*, which measures smaller company stock prices, eased by a slightly more significant 3.58 to 522.88.

On Tuesday, the performance was even more volatile. Within minutes of the opening of trading, for example, the Dow was posting a gain of over 20 points. Later that morning, it had done a com*plete about-face, and plunged* by more than 50 points. By the end of the day's trading, it had recovered *sufficiently to show* a net gain of some 14 points.

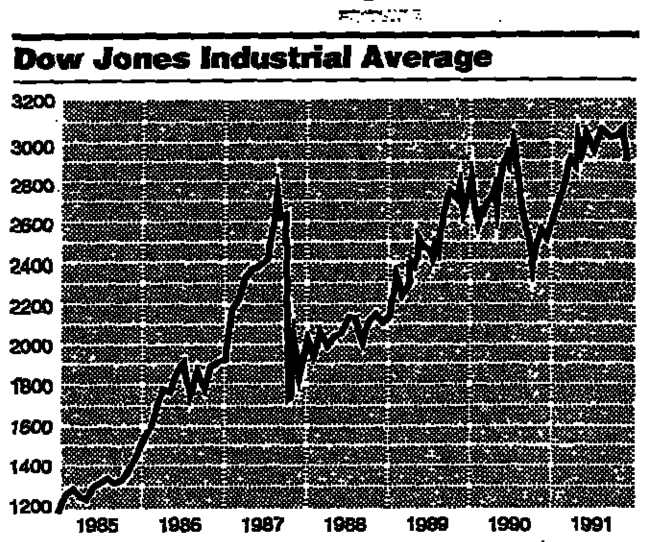
In the eyes of many analysts, this violent oscillation had little to do with stock market assessment *per se*. Rather, they attributed the rapid swings to an interaction of different "programme" trading systems.

Certainly, by Thanksgiving *eve, a more fundamental senti*ment was gripping the market – and it was relentlessly gloomy. The Dow tumbled by 16-odd points, as volume also dwindled as the pre-holiday lull took hold. And on Friday morning, matters were simi*larly depressed: by mid-morn*ing, the Dow appeared to be taking its lead from European *markets for once, posting sin*gle-digit losses but sliding below 2,900.

So what does it all add up to? The little economic news which appeared last week was mixed in tone. On the one hand, the initial claims for *unemployment insurance* plunged by 80,000 in the week ended November 16 – far more marked than the pundits had predicted – although this follows three weeks of increases, and claims usually recede in weeks with holidays. Orders for durable goods, which are supposed to signal future economic activity, also rose by *3 per cent in October*. Again, this was double the improvement generally predicted and followed two months of decline.

However, this positive news was outshone by a sharp fall in consumer spending last month. According to the latest statistics, consumer expenditure declined by 0.3 per cent in October, *before adjusting for* inflation, or 0.4 per cent after allowing for price increases. *Coming just before the holiday* shopping season, this seems to bode ill for the retail sector. More generally, it reinforces the impression of an economy paralysed by uncertainty, fear of job losses, and a confidence crisis.

Dow Jones Industrial Average



The two major corporate announcements of the week did little to help. On Tuesday, *International* Business Machines, the computer giant, announced a wholesale reorganisation of its management structure, and said it would take a $3bn charge in the fourth quarter to cover the costs of cutting some 20,000 jobs over *the next 12 months*.

The following day, Philip Morris, the large tobacco and *food group, said it would take* a fourth quarter charge of $275m to pay for the restructuring of its worldwide food operations. Both moves may be positive in the medium term; indeed, IBM's shares initially gained on the announcement, while *Philip Morris*'s rich tobacco profits mean that earnings per share will still grow by over 20 per cent in 1991, excluding one-off charges. But they were a *reminder of the struggle for* efficiencies facing many of the largest US companies, as they try to combat highly competitive and low-growth markets.

The remaining question, *then*, is whether the stock market can recover its nerve and manage a traditional year-*end rally. At present*, this seems unlikely. In real terms, little has changed over the *past fortnight to justify* the Dow's nose-dive. But, just as Wall Street spent much of the autumn anticipating the eventual upturn in the economy, it is now bent on seeing a delayed recovery at every turn. Retreat, it seems, is the order of the day.

Monday	2902.06	– 0.67
Tuesday	2916.14	+ 14.08
Wednesday	2900.04	– 16.10
Thursday	Closed	

Nikki Tait

The Bottom Line

Norwich Union sounds a note of caution

WHEN ONE of the UK's biggest and *best performing* institutional investors decides that it is time sell equities, thousands of savers will want to know the reason why.

Norwich Union insurance group sold £1bn of ordinary *shares in September to reduce* the proportion of its £12bn life fund invested in equities from 70 per cent to 60 per cent.

The decision, says Philip Scott, 37, the actuary who is Norwich's senior investment manager, reflects the group's belief that far-reaching changes are taking place in the investment climate, as the industrial economies try to reduce inflation rates.

These changes, he says, will not only affect the rate of return which savers can expect on their investments, whether in ordinary shares, fixed interest securities or property. They will also affect the competitive balance between different sorts of financial institution.

"We live in a very volatile time but there are some major underlying investment trends driven by our view on the *outlook for inflation*," Scott says.
Scott identifies several factors which will reduce inflation in the 1990s compared with *the 1980s, throughout the* industrial world. They include the slowness of recovery from the recession, the tighter monetary policy, particularly as a result of membership of the European Exchange Rate mechanism, and the constraints on the banking system's ability to increase lending as a result, in part, of stricter capital adequacy regulations.

The group believes far-reaching changes are taking place in the investment climate

During the 1980s, says Scott, the average real annual rate of return for ordinary shares in the UK (after stripping out inflation) was 15 per cent. This compares with an average real *annual rate of return on UK* equities of 7 per cent since 1918 and of 6 per cent since 1945.

The Norwich is planning on the assumption that in the *1990s real rates* of return on equities will be about 8 per cent a year on average. This is *higher, but not by much*, than the 6 per cent rate of return it is projecting for UK fixed interest securities, the 5 per cent from securities and property and the 5 per cent from putting cash on the money markets .

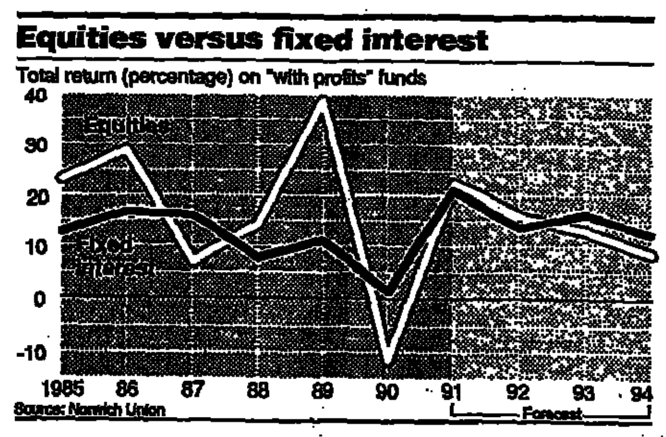
Since these projections are average annual real rates of return, returns in any particular year may be very different.

The transition to lower inflation, for example, could result in a bull market in bond prices and a surge in equities in 1992, Scott says, as equity yields become more valuable relative to lower bond yields.

But for a life assurance company, which provides a substantial proportion of guaranteed returns to investors on many of its products, the expectation that returns on different types of assets will converge enhances the attraction of wider diversification.

Equities versus fixed interest

Total return (percentage) on "with profits" funds



Scott also believes that good asset selection – buying the right ordinary shares or bonds at the right time – should increase rates of return.

He also suspects that the life assurance industry faces a challenge in educating its customers about what is going on. In his view, life companies have not yet adjusted to the lower rates of return on their assets which should now be anticipated. Last year (1990), he says, was the first year in a decade when real rates of return on a representative "with profits" life fund were negative. The widespread assumption that this was just "a blip" and that double digit *rates of return would* re-emerge is, he believes, wrong.

This, *he says, is only now* sinking *in. During 1985-9, for* example, the total return on a typical UK with-profit insurance fund was 21.3 per cent. For 1990-4, he expects *the total* return *to* be 8.3 per cent. This will, he suspects, result in life companies cutting the bonuses they pay to investors.

Even though the Norwich Union assumes that the 1990s overall will see positive real rates of return for investors, *if its projections* are close to being accurate the climate for investors and savers in the *coming decade has* to be seen as much less favourable than in the decade just passed.

It is true that the outlook *is better than the 1970s* when in the UK, the US, and Australia average real rates *of return* were negative. But Scott still expects the 1990s to be characterised by sharp *market volatility. So* rewards to investors will be down – but the risk of bad timing or bad judgment will be just as great.

Stewart Fleming

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FINANCE AND THE FAMILY

The BT offer: to buy or not to buy

FT writers assess the prospects for small investors as the deadline nears for one of the government's most complex privatisations

MORE THAN 80 per cent of the 5.25m individuals who registered for the second tranche of the BT share offer nominated a share shop to gain priority in share allocations, writes Scheherazade Daneshkhu. By Thursday, 90,000 BT applications had been received.

You do not have to deal through your nominated share shop – or any other. But you will not be able to use the coupons entitling you to special commission rates unless dealing is done through them. We published dealing rates last week. Note that the dealing charges at Norwich and Peterborough are £9.50 and not £9.95.

Investors can still buy BT shares at the market price but they will not get the discount unless they met the registration deadline.

Investors wishing to hold BT shares can transfer them to a PEP (Personal Equity Plan), to avoid income tax on dividends and to enjoy capital growth free of CGT. Since the BT offer is a new issue, investors can transfer their shares to a PEP within 42 days. The shares can be placed in a general PEP or, from January 1, in a single company PEP.

Investors are allowed £6,000 in a general PEP in any one year, while the maximum annual placement in the single company PEP is £3,000.

Some providers offer low-cost services, similar to the lower-rate dealing charges. Sharelink, one of the share shops, is offering a transfer into a single company PEP for £7.50 plus VAT or 0.25 per cent of the value of the PEP. This will be taken out of the PEP every six months once the dividend is received.

Perpetual Portfolio Management is offering a PEP service of £10 to transfer in and £10 for each call payment; plus a dividend collection charge of £1.75.

The partly-paid nature of the shares may lead to complications with subsequent instalments. You will have to sell your BT shares if they exceed the annual PEP limits.

SHOULD UK investors buy shares in the BT sale? Applications have to be in by 10am on Wednesday.

Unlike previous government privatisations the arguments in favour of buying are not clear cut. The sale structure is more complicated, partly because more than half of the company has already been floated. The opportunity of making a large immediate profit is slim, although investors would be extremely unlucky not to make any.

One problem in assessing whether to buy the shares is that the price will not be set until after cheques are in the post. It will be set on the basis of how much institutional investors are prepared to bid.

Over the past few days it has emerged that institutions are bidding at or around the current BT market price of 355p. A number of stockbrokers independent of the sale, such as Robert Fleming Securities and *County NatWest, believe that a* fair price is around 300p, given the regulatory and political risks that could affect BT's business.

On the face of it, the shares do not therefore look a good buy. However, two factors make them more appealing.

First, the shares will be paid in three instalments. Postponing the last two instalments is worth about 20p per share, as the money can be earning interest in the meantime.

Second, small investors will get a discount of 15p per share on each instalment compared with the price paid by institutions. The total discount is 45p.

When the 20p and the 45p are subtracted from a sale price of around 355p, investors will be paying only about 290p a share. This is lower than the price which independent brokers believe is fair – and it is of course possible that they are being too pessimistic.

Hugo Dixon and Roland Rudd

The case for . . .

■ Small investors will get an immediate 15p per share discount compared with the price paid by institutional investors. The total discount will be 45p if you hold on to your shares until March 1993.

Given that institutions will bid only what they think the shares are worth and that the government will probably set the share price at a level which allows the institutions to make a small profit, small investors are protected from all but a serious fall in the market.

Cheap dealing through share shops should allow investors to sell their shares quickly and profitably.

■ BT has huge scope to improve efficiency and cut costs. Last year it embarked on an ambitious reorganisation, Operation Sovereign, which could lead to the loss of 80,000 jobs over five years.

The reorganisation also aims to remove unnecessary layers of bureaucracy and improve marketing by making the company more responsive to customer needs. New technology is cutting costs further and is easier to maintain than the old technology.

■ Telecommunications is a growth market. The economy and society are becoming increasingly dependent on telecommunications. The facsimile and mobile phone markets have grown rapidly.

New services – such as picture phones, electronic mail, voice messaging, call waiting and call divert – are coming on stream and are likely to become important sources of revenue in the late 1990s.

As telephone call prices fall in real terms, people are expected to make more and more of them. The growth of international calls is likely to be particularly strong.

■ BT will have greater opportunity to expand overseas as barriers to investment come down. The company wants to increase its presence in North America, Western Europe and Japan.

■ BT has been steadily increasing its quarterly rental charges and cutting its call charges since privatisation seven years ago. It hopes to be able to do this more rapidly following next year's price review by Oftel, the industry regulator.

This year's duopoly review has already given BT the freedom to offer bulk discounts to customers who use the phone a great deal. Companies will benefit from both these moves because they use the phone a lot and will not mind rental charges increasing if call charges fall substantially. BT should therefore be able to compete more effectively against rivals such as Mercury Communications, which has focused on the business market.

. . . and against

■ Investors will benefit from the full discount only if they remain shareholders until March 1993. The share price could fall by then, wiping out any profit.

■ BT's prices will come under scrutiny in January when Oftel, the industry regulator, publishes its consultative paper on the subject.

BT has been criticised for making excessive profits. A recent *FT* investigation showed that the company could afford to cut its prices by £1bn a year and still make profits comparable with other phone companies.

Oftel has made clear that all options are open in next year's price review. Many believe that the regulator will force the company to cut its prices sharply. This would adversely affect its profits and probably its share price.

If BT refused to accept Oftel's ruling on a new price regime the matter would probably be referred to the Monopolies and Mergers Commission, which could also investigate its overall efficiency and whether the company should be broken up.

■ BT is still a virtual monopoly but its market share is being eroded by Mercury Communications. Mercury has been particularly successful in BT's most profitable markets – serving business customers and providing international services. BT's share of this market fell to 92 per cent in the year to the end of September from 94 per cent in the year to the end of March. Its share of the international market fell to 83 per cent from 85 per cent over this period.

This year's review of the BT/Mercury duopoly has opened the telecommunications market to further competition. Large US companies are already competing in the local telephone market and rivals are emerging on long-distance routes.

■ While the Labour party has abandoned plans to renationalise BT, it does favour tougher regulation. With a general election due next year, Labour's policies are increasingly relevant. The Liberal Democrats are calling for the company to be broken up, although a report by US brokers Salomon Brothers concluded that such a move would actually boost its share price.

■ BT's foreign adventures have not been successful to date. Brokers Robert Fleming Securities estimate that the company has lost about £1bn as a result of overseas expansion when the reduction in the value of its investments is combined with the cost of financing them. There are fears that the company may now throw good money after bad.

Hugo Dixon and Roland Rudd

The retail option

INVESTORS with a large portfolio would do well to look at the "retail tender", writes John Anthers.

This is the most innovative aspect of this flotation – members of the public can buy a portion of the shares being bought by the institutions. Private investors building up a sizeable stake of BT, as part of a larger portfolio of directly-held equities, are likely to find the retail tender very useful.

Two riders need to be borne in mind: neither the discounts, nor the incentives, of the main retail offer are available via the retail tender. So these shares will cost more and will not deliver the same perks.

Another factor which might be a problem is that bids have to be made through a broker. A broker's total bid is then treated on the same basis as that of a pension or insurance fund, or other large institutional investor.

The rules of the tender are complex – institutions must either tender to buy shares at a fixed price, or ask to buy at the "strike price" which emerges from the assessment of demand which can be made from all the other bids.

Bids for a definite price are given preference in allocation, so many brokers seem likely to weigh demand among their clients and then tender at a fixed price. Bids do not need to be made until Friday, so there is still room to manoeuvre.

There is no official maximum limit on applications. The minimum is 2,000 shares.

Indications at present are that the retail tender has stimulated some interest and that bids total about £3bn at the market price. But with total capacity of £5bn to £6bn, it should be possible avoid a drastic scaling-down of the retail offer.

Another advantage, pointed out by broker Henderson Crosthwaite, which is enthusiastic about the tender, is that clients need not part with money for shares they do not eventually receive. For investors who can afford it, and who want to build a holding in BT, this is probably the best way to do it.

Banking on the ombudsman

David Barchard senses a new public awareness

IT LOOKS as if the public has woken up to the fact that if a customer has a complaint against his or her bank (or building society, or insurance company) there is an industry ombudsman to turn to.

This week Laurence Shurman, the Banking Ombudsman, revealed in his annual report that complaints to his office had risen by 62 per cent, reaching 6,327 in the year to September.

The second striking pointwas that cash machines have been overtaken at the top of the list of customer grumbles by complaints about interest rates and charges and complaints about lending terms.

It looks very much as if the personal customers of the high street banks have realised that some banks – hit by the consequences of their own mistakes – are trying to soak their customers with exorbitant charges, just as small businessmen were damaged some months ago.

At the time of that furore, the Office of Fair Trading cleared the banks of colluding to fix interest rates on loans, but accused them of being insensitive and high-handed.

Similar language will spring to the mind of anyone who reads the ombudsman's report: there are plenty of cases in which banks respond gracelessly to their own mistakes – and still emerge on the winning side. Some of these cases, the ombudsman says, might well have been resolved in the customers' favour if the proposed new Banking Code was in place.

If you do complain to the ombudsman, you will be one among many and the chances are that your complaint will be settled – or you will drop it – before final adjudication.

Consider the statistics. Of 6,327 new complaints made during the year, 2,503 were rejected and 1,861 were not pursued. A further 1,948 cases were carried forward into the next year (1,283 cases were inherited from last year) and 552 were settled.

No wonder the ombudsman's office is being expanded beyond its present staff of 25.

Of the 594 cases that were finally accepted for full investigation, just under a third resulted in cash compensation. But perhaps cash compensation by banks for their mistakes is not the main reason why having a banking ombudsman is so useful. He helps pinpoint concerns for bank customers.

Cash cards and cash machines remain high on the list. If anything goes wrong, banks fall back on the small print in their agreements and blame the customer. For example when a cash card is stolen and money is withdrawn, banks almost invariably assume the customer must have been at fault by failing to keep secret the Personal Identification Number.

There seems to be little the banking ombudsman can do about this, but pressure is building on banks to introduce a £50 liability limit, which exists for credit cards.

The ombudsman says banks should provide better warnings of the risks of giving a bank guarantee and should confirm in writing what they have agreed when negotiating a loan.

Laurence Shurman, Banking Ombudsman

Meanwhile National & Provincial building society this week says its staff will advise customers which is the best savings account for them. It will also tell them when they are not already in the best savings account. The move will cost N&P £15m a year.

If this helpful attitude spreads all the ombudsmen might be out of a job. But I suspect that banks and building societies will prefer to remain silent.

If you have a complaint, contact the Banking Ombudsman at: Office of the Banking Ombudsman, Citadel House, 5/11 Fetter Lane, London EC4A 1BR. Tel: 071-583-1395, fax:071-583-5873.

The cost of caring

LONG-TERM care (LTC) insurance is the flavour of the week. Three different insurers have launched new schemes. They all answer a consumer need, which has been fuelled by changing demographics. People live longer these days, and they need long-term care of one form or another more frequently in their final years.

However, a more cynical view might be that insurers have latched on to a new way to sell life insurance.

There are seven products now on the market which all could be called "long-term care insurance". But comparisons are difficult and some sub-divisions need to be introduced.

Two schemes – those from Aetna, launched this week, and Commercial Union – are basically general insurance products. The underwriting for them derives more from general insurance than from the life industry. You insure yourself, probably starting in middle age, against the possibility that in old age you will need expensive care.

They work in essence by fixing a set number of Activities of Daily Living (ADLs). In the case of CU, these include washing, using the toilet, dressing, continence, eating and drinking, and dressing. Payments start when the policyholder is unable to carry out a fixed number of these ADLs. Aetna's has benefits for those needing care in their home, and then greater pay-outs once residential care is needed.

The underwriting for this is difficult, as there is no claims experience to go on in this country. Putting these products together has been an ambitious undertaking for both groups. They deserve to succeed.

Most other products in the market are "ease of payment" products, using basic life insurance tools, to lighten the burden for people as they are about to enter a home. These schemes are more prone to the argument often made against school fees payment plans: that they are in fact a device for selling more life insurance.

The other launches this week use standard investment products. Clerical Medical's Residential Care Plan combines a temporary annuity for five years with a unit trust (which can be part of a Personal Equity Plan). The annuity lasts for five years, and provides the income to pay the fees. There is then a good chance that the PEP will grow enough to restore the total funds to their original level.

Pearl's Nightingale plan works on the same principle, but uses a with-profits bond rather than a unit trust to replace the money spent on the annuity. Pearl also provides a small booklet on how to choose a nursing home. The annuity lasts ten years rather than five, and is capital protected – if the person in care dies relatively quickly, the capital element of the annuity which has not already been paid can be returned to relatives. It is also possible to take out an annuity which increases its payment at 5 per cent per annum.

Minimum investments in these schemes are £15,000 for Clerical Medical and £5,000 for Pearl. Both have the advantage for inheritance tax purposes of protecting the parent's estate.

However, it is perfectly possible for a consumer to put together such a package without the aid of insurance company salesmen.

John Authers

CAPITAL GAINS TAX INDEXATION ALLOWANCE: OCTOBER

R1 mnth	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
	R1 Year									
Jan.	-	1.635	1.556	1.481	1.404	1.351	1.308	1.217	1.131	1.038
Feb.	-	1.628	1.549	1.469	1.399	1.346	1.303	1.208	1.124	1.032
March	1.701	1.625	1.544	1.456	1.397	1.343	1.298	1.203	1.113	1.028
April	1.667	1.603	1.524	1.425	1.383	1.327	1.277	1.182	1.080	1.015
May	1.655	1.596	1.518	1.419	1.381	1.326	1.272	1.175	1.071	1.012
June	1.651	1.592	1.515	1.416	1.381	1.328	1.267	1.171	1.066	1.007
July	1.650	1.584	1.516	1.419	1.385	1.327	1.266	1.170	1.065	1.010
Aug.	1.650	1.577	1.502	1.415	1.381	1.323	1.252	1.167	1.055	1.007
Sept.	1.651	1.570	1.499	1.416	1.374	1.319	1.246	1.159	1.045	1.004
Oct.	1.642	1.564	1.490	1.413	1.372	1.313	1.234	1.150	1.037	-
Nov.	1.634	1.559	1.485	1.408	1.361	1.307	1.228	1.140	1.039	-
Dec.	1.637	1.555	1.487	1.407	1.356	1.308	1.225	1.137	1.040	-

Source: Inland Revenue

THE table shows capital gains allowances for shares sold in October.

To use it, multiply the original cost of your shares by the figure shown for the month in which you bought them. Subtract the result from the proceeds of your sale: the difference is your capital gain for tax purposes.

To take an example: suppose you bought shares for £5,000 in March 1984 and sold them in October 1991 for £13,000. Multiplying the original cost by the March 1984 figure of 1.544 gives a result of £7,720. Subtracting the new indexed figure from £13,000 means that the capital gain for tax purposes is just £5,280 – less than the annual £5,500 exemption allowed each person.

If you are selling shares bought before April 6 1982, use the March 1982 figure as your baseline.

For further details, write to the Inland Revenue for their free pamphlet CGT 13 (1991) *Capital Gains Tax – the indexation allowance for quoted shares.*

Scheherazade Daneshkhu

The London Share Service

Scheherazade Daneshkhu reviews the FT's new-style listing format

THE new-style listings in the London Share Service pages of the *Financial Times* have now been running for a week. Readers should have found it easier to work their way around these pages.

The biggest change has been to the names of the sector headings. Some were considered too old-fashioned, such as Drapery and Stores, Shoes and Leather, while Industrials Miscellaneous comprised an unhelpfully long list of companies.

The categories are now those of the FT Actuaries sectors, which are used by most investment analysts.

On Tuesday we published a four-page pullout to show the new positions of companies. British Aerospace, for example, is now listed under Engineering Aerospace instead of Industrials Miscellaneous. Rank Organisation has also moved out of that catch-all category and into Hotels and Leisure.

Many companies' names are now preceded by a black square to denote that theirs are the most frequently traded shares – by definition, those companies without the square are less often traded.

The information published on a Monday differs from the rest of the week to avoid repetition of Saturday's lists. Instead, Monday's listings will contain data that does not necessarily change on a daily basis. For example, the nominal size of the net dividend payments in the company's last financial year, and the level of dividend cover, will only be published on Mondays.

On the other hand, reader demand has prompted us to show market capitalisation every day, rather than solely on Mondays as had previously been the case.

Monday's listings will be (from left to right): price, percentage change on week, the last net dividend for the full financial year, the months when dividends are paid, the last ex-dividend date and the Cityline number.

From Tuesday-Saturdays, the information will be: the price, change in price over the day, high and low for the year, market capitalisation (£m), gross yield and the price-earnings ratio.

Investment trusts continue to have their own categories of data, apart from Mondays when the information will be the same as for other stocks. From Tuesday to Saturdays, trusts will show (from left to right): the share price, daily change, high and low for the year, gross yield, net asset value per share and the discount or premium to the net asset value.

The Week Ahead

City awaits the word of Hanson

HANSON, the acquisitive conglomerate with a 2.8 per cent stake in Imperial Chemical Industries, is expected to announce pre-tax profits for the year-end to September of around £1.31bn (£1.29bn). Earnings per share are thought to have edged up to around 20.6p from 19.9p.

After a year in which Hanson has received a bad press since it took its stake in ICI last May, the City is expecting Lord Hanson, the chairman, to deliver an upbeat message.

The General Electric Company is expected to deliver slightly improved interim pre-tax profits on Wednesday with cost cutting across the group offsetting a decline in turnover in several areas.

Analysts predict pre-tax profits of £345m (£342m), and a fully year of about £860m. Estimates of the interim dividend differ slightly ranging from an unchanged 2.55p to an upper limit of 2.65p among those analysts which expect the company will want to send a positive signal about the final dividend.

After a year in which trading difficulties have been compounded by restructuring problems, Bass, the UK's leading brewer, is expected to report an unprecedented fall in earnings on Wednesday. Forecasts of pre-tax profits range from £482m to £505m, 5 to 10 per cent lower than the previous year's £535m. Most analysts predict a strong recovery in the current year.

Final results from Grand Metropolitan on Thursday should reflect the defensive qualities of its strong brand portfolio and international spread. Forecast pre-tax profits range between £940m and £955m against last year's £919m. IDV, the group's drinks division, is again expected to be the star performer with trading profits 15 per cent ahead.

Westland, the helicopter manufacturer, is expected to report on Thursday a decline in pre-tax profits for the year ended September to around £21m from £26.2m a year earlier. The result will be respectable given the depressed state of its markets.

Two more electricity companies – East Midlands and Seeboard – report interim results on Tuesday. They are expected to follow the industry pattern of moderate dividend increases of around 10 or 12 per cent.

Powergen, the smaller of the two privatised generators, is likely to do likewise when it reports on Thursday.

Other companies to watch next week include Airtours on Monday, a fast growing player in the packaged holiday market, Siebe, the controls maker which is likely to show on Wednesday the strains of recession on both sides of the Atlantic, and Pilkington, the glass maker struggling with diminished demand which reports on Thursday.

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £ms**	Bidder
Prices in pence unless otherwise indicated					
AmBrit	5½*	6	4	3.61	Pittencrieff
Atlantic Res	2.54	2¼	2.25	6.72	Conroy Pet
Beazer	111¼§§	117	83	314.51	Hanson
Cityvision	48* ♦	46	25	67.3	Blockbuster UK
Do. 8.5% Cnv Pf	80* ♦	87	66	7.1	Blockbuster UK
Edbro	270*	265	140	24.22	Marrel
Geers Gross	35*	34	33½	5.30	Publicis
Hawker Siddeley‡	735§ §§	735	640	1.45bn	BTR
New England Props	17§ §§	17	14	11.91♣	TR Prop Inv Tst
Racal Elect.	4.75§	54	51	833.64	Williams Hldgs.
Ritz Design	210½	199	185	18.97	Stirling Group
Sun Life Corp	1160*§	1142	1138	316.98♣	Rockleigh Corp.
Telfos	115*	113	83	46.02	Jenbacher
Ultramar	275	309	277	1.02bn	LASMO

*All cash offer ††Cash alternative. §For capital not already held.‡Unconditional. **Based on 2.30pm prices 29/11/91. †At suspension. §§Shares and Cash. ♣ For 70.16% not already owned. ♣ For 40.2% not already owned. ♦ Or alternative of 1 Blockbuster share valued at 50p for each Cityvision ord. share, and at 89p for each Cityvision pref. share.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
ABI Leisure	Aug	2,070	(5,920)	5.7	(15.0)	4.7	(3.1)
Apollo Metals	Sept	2,030	(2,400)	10.3	(12.0)	3.45	(3.0)
Capital Radio	Sept	9,800	(15,800)	9.4	(15.6)	5.25	(5.25)
Chemex International	Sept	787 L	(716 L)	-	(-)	-	(-)
Drayton Consolidated	Sept	162,000	(187,000)	15.36	(16.35)	14.0	(17.0)
Dunedin Worldwide Inv.	Oct	3,460 #	(3,840 #)	10.17	(11.31)	9.5	(9.0)
Fairline Boats	Sept	3,020	(4,810)	55.9	(88.9)	21.0	(21.0)
F&C German Invest.	Sept	360 ‡	(481 ‡)	-	(-)	-	(-)
Ilico	June	503 L	(493)	-	(1.14)	-	(-)
Kwik Save	Aug	101,700	(85,500)	44.26	(36.26)	14.7	(12.1)
McCarthy & Stone	Aug	16,900 L	(10,800 L)	-	(-)	1.0	(1.0)
MEPC	Sept	143,300	(149,800)	31.3	(32.2)	20.0	(19.0)
Metro Radio	Sept	1,690	(2,190)	7.2	(14.3)	5.0	(5.0)
Millwall Holdings	May	2,670 L	(848 L)	-	(-)	-	(-)
Moran Holdings	June	386	(225)	-	(-)	1.0	(1.0)
Royal Bank of Scotland	Sept	57,700	(262,200)	10.5	(21.1)	8.8	(8.4)
Scottish Investment	Sept	24,500 †	(21,500 †)	4.52	(4.07)	4.4	(4.05)
Tate & Lyle	Sept	234,800	(218,000)	33.4	(30.2)	11.2	(10.0)
Tunstall	Sept	4,400	(5,130)	17.4	(20.3)	5.36	(5.0)
Wills Group	Jun	6,300 L¥	(550)	-	(3.9)	-	(-)
Young (H) Holdings	Sept	1,010	(505)	4.4	(2.1)	6.0	(6.0)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
AAH Holdings	Sept	15,800	(16,100)	5.4	(4.95)
Allen	Sept	2,010	(2,560)	1.65	(1.6)
Allied-Lyons	Sept	289,000	(286,000)	6.65	(6.27)
Amber Industrial	Sept	1,200	(1,310)	4.5	(4.5)
Argyll Group	Oct	177,800	(143,100)	3.2	(2.85)
Borthwicks	Sept	932	(129)	0.5	(0.5)
BPB Industries	Sept	24,000	(50,400)	4.0	(4.0)
Brown & Tawse	Sept	181 L	(2,170)	2.85	(2.85)
Bulgin (AF) & Co.	Jul	57	(34)	-	(-)
Caffyns	June	297	(607)	5.0	(5.0)
Caledonia Investment	Sept	17,400	(19,100)	4.8	(4.5)
Castings	Sept	1,700	(1,550)	1.3	(1.2)
Christie Group	Sept	481 L	(1,500 L)	-	(-)
City of London PR	Sept	281	(344)	1.04	(1.04)
Compco Holdings	Sept	240	(109)	-	(-)
Cropper (James)	Sept	621	(971)	0.975	(0.975)
Dawson Int'l.	Sept	16,200	(17,300)	2.9	(2.9)
East Surrey Water	Sept	2,880	(1,730)	3.56	(3.0)
Erskine House	Sept	6,660	(6,530)	2.3	(2.3)
GEI International	Sept	511	(3,100)	2.47	(2.47)
Gibbon Lyons	Sept	483	(729)	2.0	(2.0)
Grampian TV.	Aug	1,337	(1,159)	1.0	(0.7)
Hambros	Sept	37,600	(42,500)	4.2	(4.0)
Hewetson	Sept	703	(1,170)	1.6	(1.6)
Hoskins Brewery	Sept	48	(57)	-	(-)
JLI Group	Sept	1,140	(957)	1.5	(1.43)
Johnson Matthey	Sept	32,600	(32,500)	3.0	(3.0)
Kewill Systems	Sept	1,890	(1,500)	-	(-)
London Electricity	Sept	14,500	(1,100 L)	5.0	(-)
Macdonald Martin	Sept	4,670	(5,120)	2.2	(2.0)
Marston Thompson	Sept	6,990	(9,680)	1.34	(1.28)
Merrydown Wine	Sept	943	(1,030)	1.0	(0.889)
McInerney Properties	June●	2,450 L	(7,760 L)	-	(-)
Mid Kent Holdings	Sept	4,210	(3,660)	4.5	(-)
NSM	Sept	1,370 L	(7,170)	-	(0.5)
National Grid Co.	Sept	243,700	(199,100)	9.5	(8.7)
National Power	Sept	202,000	(171,000)	3.0	(-)
Northumbrian Water	Sept	31,300	(23,100)	6.8	(6.2)
North West Water	Sept	123,700	(114,900)	6.54	(6.0)
Norweb	Sept	33,400	(10,200L)	5.3	(-)
OMI International	Sept	1,340 L	(1,380)	-	(-)
Optometrics	Sept©	$77	($134)	-	(-)
Osborne & Little	Sept	384	(518)	-	(-)
Penny & Giles	Sept	1,120	(1,250)	1.53	(1.45)
Premier Consolidated	Sept	5,345	(4,342)	-	(-)
Ritz Design	Sept	186	(856)	1.6	(1.6)
Seton Healthcare	Aug	1,490	(658)	1.5	(0.4)
Sketchley	Sept	3,200	(5,500 L)	-	(-)
South West Water	Sept	47,100	(46,400)	7.1	(6.7)
Southnews	Sept	494	(415)	0.5	(0.8)
Stirling Group	Sept	581	(305)	0.5	(0.5)
Tomorrows Leisure	Sept	422	(408)	-	(-)
TVS Entertainment	Jun	10,700 L	(7,800)	-	(3.0)
Unigate	Sept	48.3	(41.4)	5.7	(5.7)
Vibroplant	Sept	2,680	(4,700)	1.22	(1.22)
Vodafone Group	Oct	140,165	(122,158)	2.86	(2.6)
Walker & Staff	Sept	347	(180)	-	(-)
Walpac	Jul	248 L	(90)	-	(-)
Welsh Water	Sept	74,100	(72,700)	7.13	(6.5)
Worth Investment Tst	Sept	115†	(252†)	-	(-)

(Figures in parentheses are for the corresponding period.)
*Dividends are shown net pence per share, except where otherwise indicated. L = loss. † = Total income. ‡ = After tax revenue. ¥ = Figure quoted post tax to 18 months. ● = Figures quoted in Irish pounds & pence. # = Net revenue. © = Figures quoted in US dollars & cents.

RIGHTS ISSUES

Chemex Int'l. is to raise £524,000 via a 3-for-1 rights issue.

Corporate Services Group is to raise £2.3m via a 2-for-7 rights issue at 42p.

RESULTS DUE

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Airtours	Monday	1.5	8.75	2.0
Archimedes Inv. Tst.	Tuesday	7.25	13.25	9.0
Avon Rubber	Wednesday	5.0	11.5	5.0
Bass	Wednesday	9.0	23.4	9.9
Control Techniques	Monday	2.15	4.35	2.15
Dobson Park Industries	Monday	1.9	3.85	1.9
Dundee & London Inv. Tst.	Monday	3.8	8.2	3.8
Eldridge Pope & Co.	Tuesday	1.75	2.35	0.67
Faber Prest	Monday	-	7.7	4.3
Grand Metropolitan	Thursday	7.8	12.8	8.4
Hanson	Wednesday	3.0	7.4	3.15
Leeds Group	Tuesday	3.0	6.25	3.0
M&G Group	Monday	7.5	9.5	8.25
Midlands Radio	Friday	2.5	2.0	1.5
Murray Enterprise	Wednesday	-	-	-
Radio Clyde	Thursday	3.25	5.0	3.25
Regina Health & Beauty	Thursday	-	-	-
Rosehaugh	Friday	-	-	-
Smith & Nephew	Thursday	1.73	2.61	1.75
Tottenham Hotspur	Friday	1.0	-	-
United Drug	Monday	1.75	4.0	1.85
Westland Group	Thursday	1.25	2.5	1.25
Wharfedale	Thursday	-	-	-
Whessoe	Wednesday	1.75	4.5	2.0
Wolverhampton & Dudley	Friday	3.7	5.6	4.1
INTERIM DIVIDENDS				
Acal	Monday	1.8	3.8	-
Airsprung Furniture	Thursday	2.83	3.7	-
Alba	Thursday	1.0	3.35	-
Avesco	Friday	0.5	1.0	-
BTP	Wednesday	2.95	5.45	-
Cape	Wednesday	3.0	7.5	-
Creighton's Naturally	Tuesday	1.8	4.4	-
Drummond Group	Thursday	0.5	0.5	-
East Midlands Electricity	Tuesday	-	10.55	-
Eastern Electricity	Thursday	-	10.12	-
Evans of Leeds	Tuesday	1.18	2.58	-
Fleming Int'l. High Income	Wednesday	1.0	1.7	-
GEC	Wednesday	2.55	0.02	-
Graham Wood	Monday	3.0	2.6	-
Great Universal Stores	Thursday	12.0	25.5	-
Greene King	Tuesday	3.3	7.5	-
Hunter Saphir	Tuesday	1.35	3.7	-
In Shops	Thursday	0.66	1.79	-
JF Fledgeling Japan	Monday	-	-	-
Jarvis Porter Group	Monday	1.4	2.8	-
Latham (James)	Wednesday	2.0	4.6	-
Lyons Irish Holdings	Monday	n/a	n/a	-
Mansfield Brewery	Wednesday	3.6	8.5	-
Mid Southern Water	Tuesday	-	-	-
Morris Ashby	Wednesday	1.7	2.4	-
Murray Split Capital Trust	Thursday	-	-	-
New London	Thursday	-	-	-
Northern Investors Company	Tuesday	3.0	4.6	-
Pema	Wednesday	3.45	7.80	-
Phoenix Timber Group	Thursday	0.5	-	-
Pilkington	Thursday	2.83	7.57	-
Porter Chadburn	Wednesday	0.8	1.6	-
Powergen	Thursday	-	5.55	-
Reed Executive	Friday	0.8	-	-
Rowlinson Securities	Wednesday	0.24	1.11	-
Salvesen (Christian)	Wednesday	2.75	3.85	-
Scapa Group	Thursday	1.5	3.76	-
Seeboard	Tuesday	-	10.36	-
Shanks & McEwan Group	wednesday	10.2	17.2	-
Siebe	Wednesday	5.5	11.0	-
Sylone	Tuesday	3.0	6.0	-
Tams (John) Group	Wednesday	1.59	2.41	-
Tiphook	Thursday	3.5	10.3	-
Vinten Group	Thursday	0.1	0.2	-
V-Tech Holdings	Thursday	-	-	-
Wellman	Thursday	-	-	-
Yorkshire Water	Wednesday	6.9	11.8	-

*Dividends are shown net pence per share, adjusted for any intervening scrip issue.

THE BEST RATES FOR YOUR MONEY

	Account	Telephone	Notice/ term	Minimum deposit	Rate %	Int. paid
INVESTMENT A/C's and BONDS (Gross)						
Southdown BS**	SuperSaver	0273 471671	Instant	£1	10.25%	Yly
Norwich & Peterborough BS	Postmaster	0733 371371	Instant	£1,000	11.30%	Yly
Coventry BS	Instant Option	0203 252277	Instant	£40,000	11.55%	Yly
Northern Rock BS	Eclipse	091 285 7191	60 Day	£50,000	11.61%	Mly
Birmingham Midshires BS	First Class	0800 444109	90 Day	100,000	12.30%	Yly
Chelsea BS closes 7.12.91	Premier Account	0800 272505	31.12.93	£10,000	12.5*%	Yly
Skipton BS	Triple Crown Bond	0756 700500	30.4.92	£10,000	12.60%	Yly
TESSAs (Tax Free)						
Melton Mowbray		0664 63937	5 Year	£1	14.00%	Yly
Allied Trust Bank		071 626 0879	5 Year	£9,000	13.24%	Yly
National Counties BS		0372 742211	5 Year	£3,000	13.10%	Yly
Lambeth BS		071 928 1331	5 Year	£20	12.90%	Yly
HIGH INTEREST CHEQUE A/Cs (Gross)						
Caledonian Bank	HICA	031 556 8235	Instant	£1	10.00%	Yly
UDT	Capital Plus	0734 580 411	Instant	£1,000	9.90%	Qly
Fidelity Investments	Cash Acc	0800 414161	Instant	£5,000	10.68%	♦
Chelsea BS	Classic Postal	0242 521391	Instant	£10,000	10.70%	Yly
				£25,000	11.20%	Yly
Northern Rock BS	Current Acc	091 285 7191	Instant	£25,000	10.71%	Mly
OFFSHORE ACCOUNTS (Gross)						
Portman Channel Islands	Channel Isls Acc	0481 822747	Instant	£500	10.20%	Yly
C & G Channel Islands Ltd	Guernsey Gold	0481 715422	Instant	100,000	11.50%	Yly
Alliance & Leicester (IOM)	Manximum 90 Day	0624 663566	90 Day	£25,000	11.00%	Yly
Yorkshire BS Guernsey	Key Extra	0481 719898	180 Day	£50,000	12.25%	Yly
Bristol & West Intl Ltd	Intl Bond II	0481 720609	30.11.92	£50,000	12.50%	OM
GUARANTEED INCOME BONDS (Net)						
General Portfolio FN		0279 462839	1 Year	£50,000	8.80%	Yly
Financial Assurance FN		081 367 6000	2 Year	£5,000	8.90%	Yly
Prosperity Life FN		0622 690555	3 Year	£15,000	9.10%	Yly
Financial Assurance FN		081 367 6000	4 Year	£5,000	8.90%	Yly
General Portfolio FN		0279 462839	5 Year	£50,000	9.20%	Yly
NAT SAVINGS A/Cs & BONDS (Gross)						
	Investment A/C		1 Month	£5	9.50%	Yly
	Income Bonds		3 Month	£2,000	10.25%	Mly
	Capital Bonds C		5 Year	£100	11.50%	OM
NAT SAVINGS CERTIFICATES (Tax Free)						
	36th Issue		5 Year	£25	8.50%F	OM
	5th Index Linked		5 Year	£25	4.50% + Infln	OM
	Childrens Bond F		5 Year	£25	11.84%	OM

Source: Moneyfacts, The Monthly Guide to Investment and Mortgage Rates, Welsham House, Stalham, Norwich.

FINANCE AND THE FAMILY

How to . . . invest for your children

Nest eggs for the smallest investor

***Scheherazade Daneshkhu** on tax-efficient ways of saving for your offspring*

IT IS a lucky child indeed who receives money set aside as he or she enters adulthood. But many parents wish they had saved on behalf of their children when it comes to helping them buy a car or put a deposit on a home.

If you do decide to build a nest egg for your offspring, you must first determine how much to invest and for how long. The tax implications of such savings can be important.

The Inland Revenue is very suspicious of tax payers shielding behind their children to reduce their own tax bill. Income of more than £100 which comes from investments by a child's parents is taxed as parental income. Income from gifts made to the child by anyone other than the parents is taxed as the child's own. So long as this does not exceed the child's personal allowance – £3,295 for the present tax year – there will be no tax to pay.

Apart from small gifts of £250 a year, each parent can give £3,000 a year to their children. However, the £3,000 and £250 cannot go to the same child. In addition to this annual exemption, parents can make gifts out of income so long as these are made on a regular basis. Thus savings plans, or an endowment policy which will involve paying monthly premiums are ideal for this kind of transfer.

What you decide to invest very much depends on the amount you envisage putting aside for the child and whether you want to fund the nest egg through income or capital.

■ *National Savings.* At the lower end of scale are National Savings products, specifically the Children's Bonus Bonds which were introduced last July. The bond gives an 11.84 per cent compound return if held for five years. The bond can be bought in units as low as £25 and the maximum holding is £1,000 for any child. Money rolls up further interest every five years and is cashed in when the child is 21. Like all National Savings products, the bond is income and capital gains exempt.

■ *Baby Bonds.* These are offered by Friendly Societies and are an excellent way of making regular small payments into a tax efficient savings scheme. The funds of Friendly Societies are tax-exempt giving them an advantage over similar savings schemes. But the maximum contribution into the Baby Bond is low at £200 a year or £18 a month. Premiums can be paid annually or monthly, maturing either at the end of a fixed period or on a selected birthday.

Like all equity-based products, returns are not guaranteed and the plan should be regarded as long-term. If you cash it in before 10 years, the maximum the Friendly Society can return by law is the value of the premiums. Homeowners Friendly Society is offering a children's savings scheme which invests in MIM Britannia's Rupert Children's unit trust. The investment must be held for 10 years to gain complete tax exemption. Charges made by Friendly Societies vary between four and seven months' premiums plus a policy fee.

■ *Building Societies.* A dependable if unexciting way of saving but since a child is unlikely to be a taxpayer, interest will be paid at gross rates. Children can usually open these accounts from the age of seven.

■ **Unit and investment trusts.** Just because these may not be packaged for children, they should not be ignored. Fiona Price, managing director of Fiona Price and Partners, marginally prefers investment trusts because they have tended to outperform unit trusts in recent years and many have monthly savings plans through which contributions can be made. These schemes cannot be taken out in the child's name until the age of 16 or above.

Price suggests that a grandparent take out the scheme in their own name but ensure that it is held for the child so that the subsequent income arising will be deemed as the child's.

■ **Insurance and endowment policies.** Now that child benefit can be paid directly into a bank or building society account, Abbey Life has used this idea to market their Early Advantage scheme. Parents can choose a unit-linked savings plan which can be funded to a particular date but must be held for at least 10 years. Child benefit is currently £9.25 per week for the first child.

Endowment policies are also an attractive way of making provision for a lump sum at a future date. Grandparents should ensure they have make provisions for premiums to continue to be paid should they die before the policy matures.

Nick Mercer of Hill Martin advises parents taking out an endowment for their children to insure themselves and put the endowment in trust for the child – most insurance companies provide this as a free service but care must be taken over the wording. If the parents die, then the cash sum from the life cover will pay into the trust, transforming what had been a savings plan into a fund for the children with no further premiums to pay.

Most parents will think in terms of a 10-year plan but Mercer suggests taking out an endowment over 20 years, which can be broken off at 10 years so that parents have an option to continue the policy.

■ **Trusts.** These are useful for parents who wish to save for their children out of capital rather than income. There are basically two forms of trust, a fixed trust by which the trustees are obliged to hand over the income from the trust to its beneficiaries at times stipulated in the trust; or a discretionary trust which allows the trustees more flexibility in such decisions. Mercer favours an accumulation and maintenance trust – a form of discretionary trust – which enables the trustees to distribute the income from the trust or to accumulate it within the trust.

Parents should be careful that income arising is either taxed within the trust or if distributed, is taxed on the parent with the lower tax rate, in which case, they should be the settlor.

Setting up a trust is only worthwhile for those investing more than £30,000 since the cost of setting up a flexible trust is in the region of £750-£1,500, and that excludes running costs.

Trust rules can be complex so professional advice should be sought.

DIRECTORS' SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED & USM)

Company	Shares	Value	No of directors
SALES			
Beattie (James) "A"	25,893	38	2
Courtaulds	15,000	72	1
Courtaulds Textiles	2,500	11	1*
Enterprise Oil	2,625	14	1
GM Firth Holdings	7,000,000	1,715	1
Henderson Admin	41,754	280	4
Hewden Stuart	225,000	214	1*
Ibstock Johnsen	67,883	59	1
Life Sciences Intl	25,000	40	1
Lloyds Chemists	27,000	83	1*
Mercury Asset Mgmt	227,500	2,068	5*
Nurdin & Peacock	32,000	60	1
Oriel Group	12,500	22	2
Rathbone Bros	8,000	33	1
Reed Intl	60,000	297	1*
Sinclair Goldsmith	250,000	60	1
T & N	80,000	100	1
Unilever	1,300	11	1
Warburg SG Cnv Dfd	10,000	29	1
Warburg SG Ord	50,000	273	1
Wardle Storeys	100,000	360	1
Zetters Group	17,500	23	1*
PURCHASES			
BOC Group	5,400	31	2
Bristol Evening Pst	36,500	102	2
Casket (Pref)	39,000	30	1
Courtaulds Textiles	3,000	13	1
GM Firth Holdings	7,000,000	1,750	1
Hickson Intl	5,500	11	2
P & P	43,730	25	2
PFG Hodgson Kenyon	150,000	92	1
SEP Industrial	1,029,985	108	1
Ulster TV	75,000	110	1
Zetters Group	17,500	23	1

Value expressed in £000s. Companies must notify the Stock Exchange within 5 working days of a share transaction by a director. This list contains all transactions, including the exercise of options (*) if 100% subsequently sold, with a value over £10,000. Information released by the Stock Exchange 18-22 November 1991. *Source: Directus Ltd, Edinburgh*

IAN Maclellan, managing director of brick manufacturer Ibstock Johnsen, has followed the example of his chairman by selling shares. The chairman has sold well over 600,000 at prices ranging up to 115p over the past seven months, but the price has fallen sharply in recent weeks and stands at 78p.

A 20 per cent stake in steel stockholder G.M. Firth changed hands when chairman Ian Wasserman sold 7m shares to Michael Wilkinson. At the same time, Wasserman relinquished the positions of chairman and chief executive to Wilkinson, who brings with him a new management team.

Interim results from merchant banking group S.G. Warburg were followed by two directors selling shares. Five directors of Mercury Asset Management, Warburg's separately-quoted fund management group, also exercised and sold options. Two directors of P & P, the computer distributor, have bought a total of 43,730 shares at prices between 55 and 67p. The share price has more than halved over the past six weeks after a profit warning over results for the year ending in November.

Angus MacDonald
Directus Ltd

Pension poser for mums-to-be

*Maternity leave can cut your benefits, warns **Jennie Hawthorne***

THE LAST thing which usually concerns a woman about to have a baby, is her pension. But a survey by *Occupational Pensions* (published by Eclipse Publications) in October 1990 revealed that only 34 per cent of company schemes allowed maternity leave to count for pensionable service without contributions from the employee.

An update one year later shows practically no change. The situation will only alter when the Social Security Act of 1989 is implemented in January 1993. It then becomes compulsory for employers operating a contributory pension scheme to make maternity leave pensionable.

At present, maternity leave, when reckoned as a "contribution holiday", will not count towards a company pension. This contribution deficit can affect retirement income, death-in-service benefits and the pension lump sum. The extent of the loss depends, as with any other gap in employment, on the length of time away, trust deed and pension scheme rules, and often, the indicated willingness of the employee to return to work.

Under the new system, contributions will be based on maternity pay, and benefits relate to pay before the maternity leave.

Statutory maternity pay is currently £44.50 (the lower rate) for 18 weeks for women who have been employed for six months to two years. Those employed longer get 90 per cent of average earnings for the first six weeks, the lower rate for the remaining 12.

A draft EC directivewill change that system in December 1992, just before the change in pension legislation. Instead of the lower rate for the first six weeks, maternity leave will be full pay for 14 weeks. However, not all of this pay may be pensionable. It will only help in terms of higher pay for the period – it may not improve your long-term retirement plans.

You might also wish to take out a personal pension. But if you plan to start a family, be careful about your choice of pension plan. Even if you receive maternity pay, this does not count as relevant earnings, so no personal pension contributions can be made. One solution, suggests actuarial consultant, Buck Paterson, could be to take up unused relief from a previous year.

Pam Eccleston, of Royal Life, says many companies, including her own, prefer a personal pension plan to be in operation for 12 months before any "contribution holidays" can be taken, otherwise the policy may lapse. Confederation Life also insists on one year's premiums, although any balance owing can be paid in a lump sum. After two years' premiums, a five-year break is allowed.

General Portfolio needs two years' premiums for maternity and unemployment "contribution holidays", and Legal & General three years – otherwise the policy could be paid up. But all claim to be "flexible".

Allied Dunbar has no restrictions on how long its plan must run before a contribution holiday can be taken, and it can be restarted without penalty at any time. Stopping the premiums within one year of starting a pension scheme would not be welcomed at Cannon Lincoln but Kevan Ward says the company is prepared to be "adaptable". Scottish Equitable does not allocate units during a contributory "holiday" and deducts £1 monthly from the pension plan fund if premiums are not paid during maternity leave.

Women may not be able to find part-time work after the birth of a baby and so could find themselves out of work for longer than they anticipated. The basic state pension can nevertheless build up during this period, as it is calculated on the number of National Insurance contributions throughout a working life. Even if these are not paid during pregnancy, credits may subsequently be awarded to obtain benefits in later years. In this way, Home Responsibilities Protection, based on child benefit, helps towards a state pension for a woman in her own right.

Part-time employees, 80 per cent of whom are women, usually have no pension rights whatever during maternity leave as only 12 per cent of the UK's 4m part time workers are in pension schemes at all. These are mostly run by large commercial organisations or in the public sector. Employees on low salaries who pay no National Insurance are not entitled to maternity leave, pay, or even a state pension except on a husband's contributions.

Pension benefits always seem a long way off to those under 50 and of little consequence when more urgent problems confront expectant parents. But many people now want to retire earlier and a woman who has enjoyed significant earnings during her working life will not relish a considerable fall in income at retirement. A pension to which she has contributed will help provide a couple with a better lifestyle in their later years. If, unhappily, death or divorce intervenes, it will still leave her with some financial independence.

If you are planning to start a family before 1993 and have a personal pension, check its rules. Those in a company scheme could find that employers faced with a potential shortage of school leavers, and wanting to retain trained staff, may be prepared to make any maternity leave pensionable now instead of waiting until January 1993.

■ *Jennie Hawthorne is joint author of Your Taxes and Savings 1991-92 (published by Age Concern).*

Caught out by a contribution cap

MORE THAN 50,000 employees in the UK are caught by the pensions "cap", introduced in the 1989 Budget to restrict the pensions of high earners.

This area calls for expert tax planning, especially for those who have changed jobs recently, or are planning to.

Under Inland Revenue rules employees can pay up to 15 per cent of their salary into an approved pension scheme. Company schemes are the best since employee and employer receive full tax relief on contributions, the fund builds free of tax and a tax free lump sum is paid on retirement.

But for employees who joined an existing company scheme after June 1 1989, or one set up after March 14 1989, the maximum earnings to which contributions can relate is £71,400 for the current tax year. If you joined before these dates then provided you do not change jobs all your earnings in excess of the cap remain pensionable.

The cap, originally £60,000, is index linked but rises in line with retail prices rather than average earnings. Historically, average earnings inflation has outstripped price inflation by about 2 per cent per annum so the value of the cap will fall in real terms over time.

High fliers who change jobs should not accept the cap without compensation. Bruce Moss, principal at consulting actuaries Towers Perrin, warns: "The crucial point is to be aware of just how much you stand to lose if your pension is capped and to negotiate a better deal with the new employer while you are in a position of strength. Once you have signed on the dotted line your negotiating skills evaporate."

Employers approach the problem with varying degrees of enthusiasm. Some do nothing. Employers in the City and in the recession-hit sectors tend to regard it as a welcome cost-saving exercise. Jim Bruce, development director at Buck Paterson Consultants, says: "A minority of companies still tell the new employee he or she is capped and nothing can be done. In effect these employees are reducing the value of the benefits package by a significant amount."

Other employers offer compensation, for example a salary increase or contributions to a Tessa, Personal Equity Plan or Business Expansion Scheme. But this may not fully compensate the loss. Moss warned: "Employees have a low awareness of the true cost of providing a full pension. For really high earners it can cost the employer 20 to 30 per cent of base pay to uncap an employee, yet many employees think they have got a good deal if the employer puts 10 per cent of earnings into a personal pension."

The Revenue allows employers to set up unapproved funded or unfunded arrangements which are used to top up the employee's pension in excess of the cap to a full two thirds of final salary. These are expensive because they do not offer the same tax advantages as an approved scheme.

Under a funded unapproved retirement benefits scheme (or FURBS) the employer's contributions are taxed as a benefit in kind but are not liable for employer's National Insurance. The employer's investment income is taxed at 25 per cent instead of 40 per cent. Adrian Waddingham, senior partner at Barnett Waddingham, says: "This tax charge can be avoided altogether if the unapproved trust is set up offshore provided contributions are invested for capital gains or in collective funds."

An unfunded scheme has no visible contributions and so the employee has no tax liability until retirement. However, since there is no fund earmarked for benefits this route is less secure if the company is wound up or taken over, although an employer can make a charge on company assets to cover the unfunded pension liability.

It is essential to know exactly what you are getting. Richard Malone, marketing manager at Noble Lowndes & Partners, says: "Be wary of vague promises that everything is going to be all right. This amounts to an unapproved, unfunded promise. Where possible ask to see a contractual agreement and get it checked by a pensions solicitor to make sure your rights are protected if you leave the company or the employer is taken over."

Finally, remember that the cap will affect your company death benefits since these will be limited to a maximum of four times the cap, rather than four times salary. Many employers will set up an insurance policy to bridge this gap. The only drawback is that the employee has to pay tax on the premiums, although it may be possible to claim this back at year-end.

Debbie Harrison

The misery of a Sunday-trading supermarket

MY WIFE and I are owner-occupiers of a flat on a main road immediately adjacent to a supermarket which some months ago started opening on Sundays, and which now opens from early morning until 10pm (as it does on the other six days of the week). However, our local council – the London borough of Camden – has a policy of not taking action against shops that open on Sunday. This is a long standing policy, going back well before any current uncertainty about the law on Sunday trading.

Our flat backs on to the car park of the supermarket and as might be imagined we suffer a certain amount of inconvenience by way of noise, fumes etc, especially early in the mornings. At present, the supermarket appears careful not to receive deliveries on Sundays, but I am concerned that it might abandon this practice and we would then be subject to this inconvenience and the disturbance of our rest on that day as well. In any case, simply the fact that the supermarket is open on Sundays means that we are generally subject to more noise on that day than hitherto.

It would seem quite unjust if we could be caused nuisance by a company breaking the law, and yet have no redress because the local council is unwilling to take action. Can you suggest any redress, especially if the supermarket started to receive deliveries on Sundays?

Could we take out a writ with the aim of forcing the council to take the supermarket to court; or could we bring a private action against the supermarket under the Sunday trading laws; or would some sort of civil action be more appropriate?

■ We think that you may well have a valid claim for nuisance at common law. You should consult a solicitor.

I LIVE next to the loading bay of a supermarket. Every time a huge lorry comes to unload, which is around three times a day, it must, because of its size, mount the pavement next to my house. The lorries come

Q&A

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within inches of my house wall and sometimes they nudge the wall as they struggle into position. Usually this happens early in the morning before we get up.

In the last few months, since the chain took over the supermarket, the set of my wall has been damaged. The lorries also have to turn and go back down a one way street the wrong way. It is impossible to do otherwise.

Is there a law against any of this. Do I have a claim for damages?

■ You appear to have possible claims for trespass (against the lorry drivers and the owners or operators of the lorries) and possibly also for nuisance against the supermarket. You should consult a solicitor.

Expenses on old income

I HAVE a fully furnished bungalow at a resort on the south coast of England which has been let during the summer for the past 20 years. Two years ago because of reduced profits and the need for expensive renovation I decided to sell. The market value was £70,000 and as I had reached 65 and was retiring there would have been no capital gains tax on the sale.

The bungalow has been on the market for two years. Offers have been accepted but the chain always breaks before completion. During this two year period I have still had all the running expenses. Can these expenses be claimed off the profits of previous years or as the bungalow is no longer let, just out of my income? Expenses are rates/poll tax, electricity and water standing charges, insurance and so on and total between £500 and £600 a year.

■ We think that you cannot claim the expenses incurred in the years following the cessation of letting against the profits of letting.

Inheritance taxes

IN February 1989 my father died leaving an estate which was valued for probate at a level which incurred an inheritance tax charge of some £13,000. The key element in this was his house which was valued for these purposes at £110,000.

The house was finally sold in September 1991 for £70,000. Obviously if inheritance tax had been assessed on this sale price no tax would have been due, but I understand that there is a 12 months time limit on any change to the assessment and this is long passed.

The £40,000 difference on the property sale is a painful example of the current sticky property market, but the loss to the Inland Revenue is particularly galling. Is there any remedy available?

■ Provided the sale was effected within three years of the date of your father's death – as is the case here – you can take advantage of the provisions of section 191 of the Inheritance Tax Act 1984 to recover the overpaid tax. It is investments in stocks and shares which are subject to the shorter limit of 12 months.

I AM preparing my will and two sisters who are my friends would act as executors. They would also be beneficiaries but I am told that an executor cannot be a beneficiary.

■ There is nothing to prevent an executor's being also a beneficiary. It is commonly the case.

MINDING YOUR OWN BUSINESS

Alternative therapy in the market place

Hilary de Boerr asks Harvy Goodliffe, an Alexander technique teacher, about money

HARVY Goodliffe could not look less like one's idea of an "alternative" therapist. Smartly dressed, clean-shaven and with not a hair out of place, he could easily be mistaken for a financial whizz-kid or a budding young lawyer.

Instead he is an acupuncturist and a teacher of the Alexander Technique, an alternative discipline designed to encourage stress-free use of the body. The lawyers and financial whizz-kids he resembles are actually his clients – along with businessmen and women, artists, musicians and actors.

'I have no particular desire to hoard large sums of cash. I want to have enough to live on and I want to do the work well'

After completing a three-year training in the Alexander Technique, Goodliffe has been in the business of helping people for the past five years. Now 29, he started practising acupuncture as well last year – the result of three years' further study undertaken while working as an Alexander teacher.

His timing has proved advantageous. While other professions continue to suffer from the UK's economic recession, business could not be better for the accomplished alternative therapist. The pressures of the 1980s have taken their toll on people's health, says Goodliffe, who sees people with every kind of disorder, from migraine headaches to peptic ulcers and lower back pain.

Alternative therapies are increasingly gaining recognition; some are now available on the National Health Service. "What might have seemed eccentric or a luxury maybe 10 years ago is, I think, starting to be appreciated as a necessary part of life – something you need to do just to cope with your life," says Goodliffe.

There are an estimated 15,000 practitioners of alternative therapies in the UK (the actual figure is probably larger, because many such therapists are not registered). The Institute for Complementary Medicine says the market is growing at an annual rate of about 15 per cent. Mintel, the market research company, reckons it is worth more than £450m a year.

The five main alternative therapies are chiropractic, herbalism, homeopathy, osteopathy and acupuncture. Acupuncture has 1,200 registered practitioners in the UK. The Alexander Technique, with about 600 registered UK teachers, is a form of re-education: it teaches people, through a combination of gentle manual guidance and verbal instruction, to release habitual patterns of tension.

Having struggled through the early years of setting up a practice (when his income was around the £7,000 mark) Goodliffe is well-placed to make money. His costs are relatively low and he has a waiting list of people wanting to see him. Alternative therapists in central London, where he practises, can command more than £70 an hour.

Goodliffe is nevertheless embarrassed to admit that he does not make as much as he might. He charges a maximum £40 an hour for his work, but he operates a sliding scale to about a third of that amount for people who cannot afford more. He is not in it just for the money, and says he makes "quite a lot less" than £25,000 a year. Alternative therapists can make £40,000-£50,000 a year.

While Goodliffe avowedly eschews business matters, his approach to his practice is definitely professional. The number of people he sees at a subsidised rate depends on what he can afford. "I have no particular desire to hoard large sums of cash. I want to have enough to live on and I want to do the work well," he says.

He organises his time meticulously; for example, he will only take work-related phone calls at home during certain hours. When he first set up his practice, potential clients were happily phoning with queries well after 10pm. The answerphone now takes over in off-hours.

Goodliffe usually sees about seven people a day, dividing his time between teaching the Alexander Technique and giving acupuncture treatments. Administrative tasks – organising appointments, doing his own accounts – can make it a long day, especially when he also has to carry out research into complicated health problems.

He chooses to work away from home, to meet other practitioners and share experiences. In the early days he worked in Harley Street, London's most exclusive medical district, but now he rents space and receptionist facilities in a clinic just off Oxford Street at a cost of about £4,000 a year. Other costs include work-related courses and seminars, research material, and the thousands of disposable acupuncture needles he gets through in a year.

The risks of being self-employed were brought home to him earlier this year, when a bout of glandular fever struck. Goodliffe had no insurance for such an eventuality and, while unable to work, had to rely solely on his savings.

Being ill, however, did not stop Goodliffe furthering his career. He passed his recuperation working on an idea for a book. Time spent in recovery also galvanised his plans for further study: an MA and PhD in the psychology of health.

■ *Harvy Goodliffe works at the Alexander Institute, 16 Balderton Street, London W1. 071-408-2384.*

Colin Beere

The good life: Harvy Goodliffe's practice has proved immune to recession

Computing

Program that promises many happy returns

Jean Miles tries a package that makes life easier for tax payers

THE big-name generic computer programs, the databases, spreadsheets and word processors of this world, are theoretically all anyone ever needs.

But there also exist myriad lesser programs which solve particular problems in useful ways. Having got my finances in order with one such, the invaluable *Personal Cashflow*, I have been looking in other directions recently: at portfolio management and the filling in of income tax returns.

What is it about doing the income tax? When my husband and I embarked on life's adventure, it was vastly more complicated than it is now. Our domestic filing system still has a section called "Schedule A and relevant receipts", once part of every owner-occupier's economic scenery. Adding by hand columns of dividends expressed in pounds, shillings and pence was an annual nightmare.

When calculators were invented we thought for a moment our troubles were over. Then for a while we employed an accountant. He was expensive, and it seemed to be just as much work getting the figures together for him as sending them to the Tax Inspector directly. Now we each have our own computer. And it is still awful doing the income tax . . .

Simple programs to calculate tax liability have been around for a while. The Consumers' Association's *TaxCalc* is a good, cheap one. Digita's *Personal Tax Planner* has not yet been updated to take account of 1990-91 tax regulations, let alone current ones, so for the time being that program is off the menu.

Now there is something more substantial. *Tax Reckoner* by Systemstar was written to the specifications of a firm of tax accountants which has also been involved in testing the program. It is brand new, but Systemstar also publishes an established suite of financial programs called *Personal Accountant*.

Tax Reckoner cannot do everything. The manual is clear and specific about the areas which the program cannot handle. It cannot do the actual accounting for a trading activity, or rule on the tricky questions of what constitutes domicile and what expenses are allowable against what income. But it can still do a lot more than has previously been possible. Most notably, it can handle dividend income and capital gains tax fully and will print out lists to attach to your tax return.

This program aims, for the first time in Britain as far as I know, actually to help individuals prepare their tax returns. It is easy to install and negotiate. Using it is very much like filling out an Income Tax return using the Tax Return guide supplied by the Inland Revenue. The program assumes you can do that. A book such as the Penguin *Lloyds Bank Tax Guide* would therefore be a useful adjunct.

The first return you prepare using the program is scarcely easier than doing it any other way, except that the program will calculate the tax credit on your dividends automatically, and columns of figures will stay straight and get added up properly. But once the first year's hard work is done, the Tax Reckoner really comes in to its own.

It will give you an estimate at once of tax under or over-paid. It will print a simulated Form 930, the dreaded communication from the Inland Revenue which shows how your higher rate tax was arrived at. Neatest of all, your sources of income and outgoings can be brought forward to the following year so that all you will have to do next time is to type in the new figures.

The program knows the Income Tax rules for 1990-91 and 1991-92 and the Retail Price Index, necessary for calculating Capital Gains, from January, 1982, up until the month you buy the program. Things are set up in such a way that it will be easy to keep the RPI up to date and to type in the new tax rates, bands and allowances when next year's Budget is announced. I liked that aspect of things a lot. Systemstar will provide the new rules on disk if you prefer and also plans to offer regular updates covering significant changes in the tax laws. The manual is clear, well-organised and well-written although not entirely well-indexed. Everything you want to know is probably in there somewhere.

I tested this program by putting in all our income tax figures for 1990-91. Not an entirely scientific test, but our income is sufficiently various – salary, dividends, interest, free-lance earnings and even a minuscule bit of rent from agricultural land – to provide the Tax Reckoner with a reasonable workout.

It agreed precisely with the tax inspector about the dire amount of higher rate tax my husband owes. It failed rather signally to tell me how much I could expect back under the new rules on separate taxation for married women. The trouble turned out to be that the Tax Reckoner did not know about that category of tax which the Inland Revenue calls "non-returnable", namely Composite Rate Tax (CRT) deducted from bank and building society accounts, and the notional tax credit on shares accepted in lieu of dividends. So its assessments are right for rich folks who have to pay higher rate tax, but potentially misleading for those who have already paid too much. CRT has, mercifully, been abolished. It is very much to be hoped that Tax Reckoner will soon take shares-in-lieu into consideration. I will use this program again, unless income tax itself is abolished next year.

■ *Tax Reckoner runs on IBM and compatible computers with either a hard disk or floppy disks. It costs £119.95, including VAT, from Systemstar, 1-3 Parliament Square, Hertford, SG14 1EX.*

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THOMAS TILLING plc
- AND -
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a petition was on the 14th November 1991 presented to her Majesty's High Court of Justice for the confirmation of the Reduction of the Capital of the above-named Company from £260,000,000 to £249,785,307 by returning capital which is in excess of the wants of the Company.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Honourable Mr. Justice Hoffman at the Royal Court of Justice, Strand, London, WC2A 2LL on Monday 9th December 1991.

ANY creditor or shareholders of the said Company desiring to oppose the making of an Order for the confirmation of the said Reduction of Capital should appear at the time of hearing in person or by Counsel for that purpose

A copy of the said Petition will be furnished to any such person requiring the same by under mentioned Solicitors on payment of the regulated charge for the same.

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Tennis / **John Barrett**

A team of opposites

THEY ARE *an odd couple*, these two young men representing the US this November weekend in Lyon.

For the outrageous extrovert, Andre Agassi, almost a seasoned veteran at 21, this is a second Davis Cup final in 12 months, but for the tall, intense introvert, Pete Sampras, 20, it is a baptism.

For all Agassi's bravado, you wonder whether his "I've done it all before, I know what to expect" is more to *convince* himself than others.

"Sure, it's tougher away from home, the home crowd always lifts their players," he said.

No doubt he remembered how in the opening rubber of last year's final in St Petersburg, Florida, an unknown young Australian named Richard Fromberg, who was playing in his first tie, had handled it very well indeed. It was only the crowd's support that finally got Agassi home in a tense fifth set. Yesterday, in the opening rubber against the French No 1, Guy Forget, Andre was very tense as the noisy crowd raised the temperature and he did well to win 6-7 6-2 6-1 6-2.

That is what Davis Cup nerves do for you. And that is why Sampras' hopeful remarks at the draw on Thursday – "I'm very relaxed and confident, I'm not nervous, there are no butterflies" – were seen by wise Davis Cup veterans as a dangerous attitude. 2.

After yesterday's testing match against Henri Leconte in the Palais des Sports Gerland where 8,500 chanting French throats almost succeeded in lifting the roof off the building, Sampras will be a much wiser man.

On the face of it these two world-class performers – Sampras is ranked sixth in the world, Agassi tenth – should alone be able to humble the proud French, regardless of the doubles rubber.

The tie is being played on a fast indoor carpet that was chosen to suit Forget, when it was thought that Agassi and his French Open conqueror, Jim Courier, clay court experts both, would be chosen by captain Tom Gorman to represent the US. It was a shrewd move by Gorman to select Sampras ahead of both Courier and Davis Cup veteran John McEnroe, who had expressed a desire to be included.

In spite of McEnroe's unequalled experience of 65 Davis Cup singles and doubles matches, Sampras was clearly the man in form. Even before his magnificently convincing victory over Courier in the final of the IBM/ATP Tour world championships two weeks ago, this rangy Californian (I know he now lives in Florida) had put together a streak of 32 wins from 37 matches since July, and was looking every bit as impressive as he had done 14 months ago in New York when he had become the youngest-ever winner of the US championships.

What of the French? Although Forget, a cultured left-hander born in Casablanca 26 years ago, is ranked No 7 and has won six titles in 1991, he, too, gets nervous on these occasions (who does not!), he could not yesterday to bear the full weight of national expectation on his narrow shoulders – a burden that helped to destroy his usual fluency.

Leconte, two years his senior and ranked a lowly 159th following surgery on his back for the third time last July, had no recent form to suggest he would be a threat. His selection by captain Yannick Noah is something of a gamble and smacks of sentimentality.

"It was great to tell Henri that he was selected – he is capable of beating anyone, anywhere, any time," said Noah.

No, Yannick – "was", not "is".

Nor can the French hope for much from today's doubles for the US pair, Ken Flach and Bob Seguso, are back to the form that won ten rubbers from the 11 they contested between 1985 and 1989.

It remains to be seen whether or not Noah replaces his original nominee, Arnaud Boetsch, who played in the semi-final tie against Yugoslavia, with Leconte as Forget's partner, as most people expect. These two have won every one of the seven rubbers they have played for France, *but Leconte's lack of match* play would count against him improving upon that record.

To return to our odd couple, they could hardly have had more different backgrounds. Agassi's father, a former Iranian Olympic boxer working as a porter in Las Vegas, sought fame for Andre from an early age and was overjoyed when his *elder daughter, Rita, mar*ried the legendary Pancho Gonzales. Some of the great man's skill and knowledge was sure to rub off, he thought.

Pete's father, Sam, an engineer with the US Air Force, is the son of Greek immigrants who admits he knows nothing about tennis and was not at Flushing Meadow last year, or in Frankfurt this month, to see Pete's greatest triumphs.

"Georgia and I get too nervous to watch him play – we rely on the tapes that Gus (Pete's older brother) brings home. Anyway, we've brought Pete up to understand that he must make it on his own."

During an erratic junior period it was not obvious that Pete would make anything much in life. He was always in the shadow of Agassi and the boy-wonder, Michael Chang, whom he never beat, and was largely a defensive player.

The man who believed he might achieve something was Dr Pete Fischer, a paediatrician and a friend of the family. He became Pete's confidant and was *his unofficial (and* unpaid) coach for nine years.

"He had such wonderful natural timing and with his double-handed backhand was so good *counter-hitting from the* baseline that he beat all but the very best kids."

At 14, Pete turned to Fischer for advice. "I'd realised I would have to do something about my game. I was getting nowhere and I asked him if he thought I should change to a single-handed backhand."

Anyone who was in Frankfurt two weeks ago will know what Fischer's answer was. So successfully has Pete developed the shot that it ranks with Becker's serve and Lendl's forehand as the game's great strokes.

Pete broke with Fischer after a suggestion from the good doctor that he might receive some remuneration.

Sampras then sought help and inspiration from Nick Bollettieri, the *Florida-based guru* from whose stable a string of juvenile prodigies has soared to prominence only to fall back to earth, spent, like rockets on *Guy Fawkes* night.

Sampras, always a loner, was not prepared to burn himself out and hired one of the camp's coaches, Joe Brandi, to work with him. Last year the *partnership flourished, but in* December, Brandi was fired over finance. He was re-engaged in January while Pete was recovering from shin-splints but has just been dismissed again. No reason has been given, but I suspect it has something to do with Pete's attachment to a lady some years older than himself of whom Brandi did not approve.

Whatever the reason, there is no sign in Lyon that this is a *liaison dangereuse*. In fact, Pete seems to be thriving on it. As the French are doubtless saying: *"C'est la vie!"*.

Racing

The king of the tipsters

***Michael Thompson-Noel** meets Adrian Cook, the punters' ally against the bookies*

VISIT A BRITISH betting shop and you will see strange troglodytic beings with chalk-white faces and *minus-IQ's puffing on cigarettes and* shovelling banknotes across the counter. These people are called punters. The activity they are engaged in is as old as time. They are transfering enormous sums of money *into bookmakers' hands*. At the end of the year the bookies spend this money on furs and diamonds and hotel chains.

Locked in their obsession, the punters try to defy the odds. But the odds are stacked against them. They can never, never win. The only friends they have are the racing tipsters: *obscure and dedicated* men, generally employed by newspapers, who wage a valiant but losing battle against the odds, the form-book and the bookies.

The tipsters' job is one of great responsibility. Of the billions bet on horseracing, most finishes in the laps of the government, via betting tax, or the bookies. Dribs and drabs are siphoned into racing, to help prop up the sport. The punters lose everything – though their struggle can be *prolonged by skimming the racing pages* and studying the tipsters.

At present, the King of the Tipsters is a modest, bespectacled, fast-talking 38-year-old *Oxford jurisprudence* graduate, Adrian Christopher Ward Cook, who lives in Huddersfield Road, Halifax, and is known in the trade as Diomed of the *Racing Post*.

Diomed has a sense of humour. I met him on Tuesday, and confessed that the previous day I had visited a betting shop, God help me. He *peered at me indulgently. Then* he said: "The worst horses run on Mondays. The most competitive races are on Saturdays. So I tend to think the middle of the week is when you should try a spot of punting."

Diomed himself almost never bets. He is far too busy tipping. When I asked him when he had last had a bet, he could *scarcely call it to mind*. What consumes his time is his job as Diomed. His enthusiasm is unbounded.

To pinpoint Adrian Cook's excellence as a racing tipster you need only study the National Press Challenge table in the *Racing Post*. It lists 14 tipsters, from hacks to stars. The competition is sponsored by the Tote and Charles Heidsieck. Each competitor starts each month with a theoretical bank of £100, from which £1 is staked at Tote odds on the tipster's selections in all races run in Britain, *except for some* on bank holidays.

The tipster with the largest bank at the end of each month wins £100 in Tote betting vouchers. At the end of the *year the tipster* with the largest cumulative bank, based on Tote odds, receives his winning total plus £1,200 and a trophy.

At present, Adrian Cook is clear of the field – a Derby runner bowling beautifully along while his rivals toil behind like brewery drays. At the close of racing on Thursday, Diomed's bank stood at £823 – *well ahead of his nearest pursuers*, Robin Goodfellow of the *Daily Mail* (£645) and Hyperion of the *Independent* (£621). By Thursday night Cook had given 1,879 winners from 5,971 tips (strike-rate: 31 per cent) *since year's start*. At the bottom of the heap were Tony Stafford of the *Daily Telegraph* (£327), Bendex of the *Daily Express* (£296) and – quite miserably – Man on the Spot of the *Sporting Life*, the *Post's* dire rival (£241).

You might think that with a bank, to date, of £1,100 at his disposal, Adrian Cook's performance has been poor, and his rivals' worse. Why has his bank shrunk to £823? Why hasn't it zipped well above £2,000, say? There are various explanations.

First, the Tote's standing deduction from win pools is 16 per cent of turnover, to cover costs and profit. For every £100 the Tote takes from racegoers, it gives back only £84 – race after race, day after doom-struck day. This 16 per cent deduction is reflected in the dividends paid and is an immense obstacle for the tipsters to confront (ditto the hapless punters).

Second, no sane tipster would choose to tip horses in all races. If he could, he would be much more selective in his forays.

Third, much can happen in *the 20-odd hours between* newspaper deadlines and the start of racing the following day. The tipsters get their lists of runners at about 11am. *Adrian Cook's deadline at the Post* is 4.45pm. He wires his copy from Halifax to London virtually on the deadline. But the races do not happen for 20 hours or more. The weather *can change*, altering the going. All sorts of things can change.

Fourth, says Cook, tipsters have to deal with misleading or incorrect information – dodgy weather *forecasts*, jockey *changes*, *clerks-of-the*-course claiming that the going is good when it is really good-to-firm. "They're always over-optimistic," says Diomed.

Does his sleuthing through the form-book throw up numerous *abnormalities*? "Yes," says Cook. "There are lots of cases of horses not running well for physical reasons and of trainers not telling us about it until it's won its next race. Some *trainers are co-operative*. A lot are not. More diligence is required from stewards. A lot of favourites run badly, yet not a word is heard. There should *be inquiries into virtually every race*.

"More and more races are falsely run – a slow pace with a sprint finish. With false pace you get false results – a lot of them. *The thing* is a conundrum. I cannot explain it. You would think that owners and trainers would insist on genuinely-run races. Funnily enough *it* happens a lot in *sprints*, where you would think it *couldn't* happen.

"This pace business is why picking *winners* at the big *Cheltenham* jumps festival in *March* is so difficult. Cheltenham is a testing track and races are run at a true pace. Cheltenham is a real stamina-slog. However, many pre-Cheltenham races are *run on* sharper tracks with *slow early* pace and *smaller* fields, so results are determined by *speed* at the finish. What happens *before* Cheltenham often looks completely ridiculous afterwards."

The King of the Tipsters is the younger son *of a Yorkshire* wolds *farmer*. From Oxford *University* he went straight to Timeform, the horse-ratings service founded by the late Phil Bull. Then he joined the *Sporting Chronicle*, then the *Sporting Life Weekender*. He became Diomed when the *Racing Post* was launched in 1986.

Cook works in a pleasantly sunny office at his *Halifax* home. The *room* is full of books *on form* and breeding, for his work is mostly cerebral. He lives and breathes race-track form. "Form is all-important. If they haven't *got form*, they *won't win* races. Horse-*tipping* involves a great deal of hard work, keeping up with the form, being prepared to change your mind. That Press Challenge table in the *Post lays* your soul bare. *You* are totally exposed. There is nowhere you can hide. It keeps you up to the mark."

Was there such a thing as inside *information*? "There are bits of it. But you hear different bits from different trainers, so it cancels itself out. I am always sceptical of trainers' opinions."

How about jockeys? Diomed looked at me wild-eyed. "Jockeys . . . You wonder if they've got the brains they're born with. You *watch* some races and wonder if they have a clue what they're doing. What can they be thinking of? Generally, the punters expect a standard of professionalism from those in the sport that simply isn't delivered. Racing journalists are not critical enough. Trouble is, reporters have to deal with these people daily. If they write something nasty, *the trainers and jockeys will not talk to them*."

An hour or two in Diomed's company makes you wonder why people ever gamble, for it is a bruising war he wages, he and *his tipster-colleagues*. No wonder he doesn't bet. "If you had a bad run backing horses, it would affect your tipping. You could be having a bad run with your tipping, anyway. If you're going to bet you have got to do it professionally. You would have to do it full-time and be extremely selective. A friend of mine has horrendous days and weeks, though he may show a *profit* this year. I have never felt tempted to become a professional backer. I just enjoy racing."

If it were not for super-*sleuths* such as Adrian Cook, *the gush of money from punt*ers to bookmakers would be an alpine torrent. The bookies could live in Barbados, counting their jewels and krugerrands and monitoring their businesses via *little green* screens.

Perhaps they do already.

As they say in Europe

Margaret Thatcher comes to the rescue

***James Morgan** finds the foreign press in London grateful for the return of an old foe*

YOU COULD *almost* bear the sigh of relief when Margaret Thatcher reappeared in Parliament and television interviews in Britain.

Some rose to the occasion immediately. Patrick de Jacquelot of *Les Echos* of Paris wrote: "Europe is in fact everywhere in Britain. *The Euros*ceptics oppose the Euro-enthusiasts, who in turn are overtaken by the Eurofanatics. All this contained in a Euro-debate *characterised by a typi*cally European Euro-confusion . . . The insularity of the country, the extremely strong sense of national identity, indeed nostalgia for lost imperial grandeur, complicates the relations of the United Kingdom with its neighbours."

M de Jacquelot eventually gets round to the Iron Lady: "Europe – that is to say the continent – is seen with a mixture of *fascination* and fear. Fascination is directed at Germany's economic performance or the quality of French public services. Fear is based on the belief that the European process will finish by *wiping out Britain's identity*. As it was summed up in Margaret Thatcher's formula in the Commons, 'It is all about being British.'"

In Munich on Tuesday the *Süddeutsche Zeitung* struck a sour note. "She will not grasp that her time is past and that it would be better to hold herself in check if she wants the Conservatives to be running the country a year from now . . . Whenever Margaret Thatcher assures her former protégé, John Major, of her support his situation becomes more precarious. She is more dangerous than the whole opposition put together."

But the *Süddeutsche* con*cluded that she was not alone*, "above all she feels that she has the people on her side."

On Wednesday, Alessandro Merli opened his scene-setter in *Il Sole-24 Ore* on the meeting between the British and Italian heads of government with the words: "John Major is celebrating his first, and maybe his *last, anniversary of his accession to power* with a visit to Giulio Andreotti in Rome. He has much learn from the Italian leader on political longevity."

Signor Merli sees Major's *chosen policy in simple terms*: "The *prime minister* who a year ago was the dauphin of Margaret Thatcher has spent a good part of the past 12 months undoing what his predecessor did, above all in the last part of her third term."

■ ■ ■

The so-called Eurosceptics in Britain have missed the point about why this country should not contemplate further integration with its partners. The "originality" of British institutions often seems to come down to bizarre abstract concepts – *pound notes*, large fiscal deficits and prawn-flavoured crisps.

The "nature" of the Europe we British are supposed to be *joining is a more interesting* question. I can exclusively reveal that Brussels is working on a new slogan, one taken from an unpublished work by George Orwell *called 1992. It* goes, "Division is Unity."

The two key events of the past week were the elections in Brescia and Belgium. Brescia is a *rich north Italian city* and Belgium a rich north European country. In the latter, the unpleasant Vlaams Blok (VB) gained a quarter of the vote in Antwerp, and many parliamentary seats elsewhere in Flanders on a programme of xenophobia which encompassed the French-speaking Walloons.

Le Soir of Brussels called it a smack-in-the face vote. "It con*firms the disturbing rise of the* extreme right. With the Front National and the Vlaams Blok, Belgium joins other European countries and faces the evil ghosts of the pre-war period which were thought to have been *forever* damned."

The outcome was front page news among Belgium's neighbours except for Britain. Although Flemish and Dutch are officially the same language, there is no love lost across the political frontier. *Algemeen Dagblad* of Rotterdam led its Monday edition with the Belgian election. There was some ill-concealed glee at the discomfiture of the Belgian political establishment. A commentary inside noted that the result was as much a protest against Walloon "bosses" as anything else. "With *this victory of the* Vlaams Blok, separatism now has got the wind in its sails . . . That is a sad signal from a country whose capital Brussels has become a symbol of a united Europe."

In Brescia the big winner was the Lombard League. This party appeals to hatred for southerners; Blacks and Arabs are secondary targets. The LL has also become a form of generalised anti-Rome protest. Other "victors" in the Brescia poll were the Pensioners' and Housewives' Party and the unreformed Communists, each with around 5 per cent.

Corriere della Sera remarked: "If Brescia is not an isolated sound we are hearing it is not so much an alarm bell but the sinister call of a siren."

So it is that the centrifugal tendencies of European union are balanced by regional centripetalism. The only reasonable model is the Holy Roman Empire, and Britain was not a member of that either.

■ ■ ■

Book at Bedtime: "Under the title 'Switzerland: Breakout from Behind,' the Foundation for Philosophical Sciences has published a comprehensive work of 650 pages in which 78 authors put forward their ideas and visions for the future of Switzerland." (From the *Neue Zürcher Zeitung*).

■ *James Morgan is economics correspondent of the BBC World Service.*

HOW TO SPEND IT

Stockings full of wit. . .

Breathe life into a jaded Christmas morning tradition with wit, imagination and a dash of passion, says ***Penny Lewis***

THE Christmas stocking is still the most personal way of greeting your nearest and dearest on Christmas morning. More formal presents are carefully wrapped and put on public view in all their bowed and beribboned splendour; a stocking is pounced upon in the grey early hours with only the cat as witness. What is more, its success or failure depends chiefly on the element of surprise and has nothing to do with price. It can be frivolous or bizarre but on no account should it be boring.

Children, naturally, are the main recipients but a stocking can be as much fun for adults. It can rejuvenate jaded parents for whom Christmas excitement often amounts to something useful, hastily bought, wrapped in last year's paper and thrust under the tree at the *last moment – essentially* to please the children.

Adult stockings are more of a challenge. What message are you trying to get over? Passion perhaps? Exotic sophistication? Or perhaps just plain good fun?

If it is passion you are after turn your partner's morning grizzling into doe-eyed adoration. For him a silk sock (in all John Lewis stores, £9.95) might double as a stocking filled.

For her you cannot go wrong with a silk, seamed stocking (£10 – £15) to be found in most department stores (yes, she may wear tights but one limp leg hanging from the bed post just does not set the mood).

You may prefer to go for a more sophisticated stocking. Look no further than the South Bank Craft shop and Gallery in the Festival Hall, South Bank, London, which has commissioned nine craftswomen/men to produce their own Christmas stockings and are exhibiting and selling them in their Stocking Up for Christmas Exhibition. They are not cheap, but if you are tired of the *run-of-the-mill red crêpe* paper variety, these are exquisitely made and will doubtless become something of a yearly family institution for lucky purchasers. If you cannot go to the show they can be commissioned through Claire West at the Craft Shop (071-921-0843).

For practicality, I recommend Sarah Beresford's stylish hand-embroidered stockings, big enough for gifts at around 1 ft long and made with red/burgundy/green/navy velvet, appliquéd with traditional Christmas imagery of stars and trees and embellished with organza ribbon braids and beads (from £39.15). To go with them are silk ties with match*ing design to slip inside.*

For sheer grandeur plump for Karen Holt's patchwork diamond-shaped jester slipper stockings (£76.15); entirely machine embroidered in predominantly turquoise and gold thread. Lined in velvet they would make exquisite jewellery or handkerchief cases. But for a stunning package she has also made military crest brooches (from £26.10) intricately embroidered in gold thread (the crest is also depicted on the slipper) and *clever matching earrings* shaped like half-opened presents (from £18.05).

Slightly zanier, but still machine embroidered, are Linda Miller's ankle length stocking socks, emblazoned with stars and eccentric kings' heads on the toe and lined with patterned shot silk (£163.15).

The wackiest are from Hazel Jones and Mike Leigh, who have produced a limited edition of 50 stockings with hand-made rubber stamp, mini wrapping paper and idiosyncratic novelties (£21.75).

You can also improvise your own stockings – pillowcases, skiing socks, laundry sacks for the greedy or even a brussels sprout sack from the greengrocer threaded with some red ribbon through the top.

Do not let us forget that for children Christmas Day can begin at any time after midnight. The more successful the stocking the longer it takes to reach the mushy satsuma . . . and the longer it takes to storm the parents' bedroom.

If you want to be really tra*ditional you will have to find* a chandler that still sells sea boot stockings. Some sadly do not – they are not warm enough for your modern sailor. The substitute is a stout walking sock. Damart of Regent Street, London offers a classic ribbed variety (£6.99) and Millets (branches nationwide) does a suitably long thermal in holly red (£3.99).

You could knit your own with the help of Patons Traditional Christmas knitting-pattern magazines (£1.50). But if *you prefer something with a* bit more glitz the larger department stores have a good choice. For real capaciousness Dickens & Jones has a huge knitted stocking with white bobble drawstrings (£4.99) and for sheer good value Liberty is offering a traditional hessian sock either plain or in green (£1.95 and £2.50).

As for fillers, sometimes naff ideas provide the best entertainment and are refreshingly cheap. How about a nose and ear hair trimmer (£5.99) or a *quilted cottage tissue dispenser* (for the office desk) that propels tissues through the chimney (£3.99) from the Help the Aged (081-803-6861) mail order catalogue. For collectors' fun Hawkin & Co (0986-82536) offers a superb range of tin toys such as a Buick car from China with a friction-drive motor (£9.50) or water diviners (£3.25) for the post-luncheon stroll.

As far as the 101 jokes and games you need just to get past the ankle you can order the whole lot from the comfort of *an armchair – the specialised* mail order companies are excellent. What is more, those bits from your own childhood have come back, which means an hour on the floor picking up Pik-A-Styks is bearable. Curious Caterpillar By Post (0933-410650) even offers a Cats Cradle pack – such nostalgia!

Left: Roomy cotton stocking embroidered with Christmassy themes on the front, printed patchwork on the back. Can be ordered with recipient's name on the front, 16½ in long, £13.99 from Letterbox, PO Box 114, Truro, Cornwall TR1 1FZ.
Near right: The Mulberry Christmas stocking is claret cashmere and wool, lined with tartan and piped with leather. 25 in long, £39.

Centre: Bottle green cotton stocking, 23 in long, £16.95 (p & p £2) from Liberty, Regent St, London SW1. Above: Tapestry stocking, one of many from Joanna Wood, 48a Pimlico Rd, London SW1, 16 in long, £25.95. Top: Linda Miller's embroidered stocking is more a work of art. 10 in long by 4 in wide, £163.15 each from The South Bank Craft Shop, Level 2, Festival Hall, London SE1.

. . . some ideas to put in them

FROG HOLLOW of 15 Victoria Grove has two catalogues filled with splendid ideas for enlivening the early morning trawl through the stocking. In the "gift" catalogue there is a kit bag (£12.50) to which can be appliquéd eight letter names (sorry Annabelle, Marie-Louise, Alexander etc) and which would make fantastically capacious "stockings" at the end of the bed.

Then there are musical sponges (£2.50), pocket desk sets (£3.99), juggling kits (£11.50) and some extraordinary slippers called slippertronics (£17.95 for children and £19.95 for adults) which are apparently the hit of the year – put them on and they make the sound of a train as you move.

For masses of really inexpensive little items turn to the Frog Hollow party catalogue – here there are things such as bendy straws for 60p, magic plastic for making your own balloons for 99p, whoopee cushions for 50p, water pistols for 24p and so on. The catalogues are free from 123 Ifield Road, London SW10 9Ar (071-370-4358) in return for a stamped addressed 9 by 6 envelope – 24p stamp for one catalogue, 36p for both.

■ The Museum Store, 37 The Market, The Piazza, Covent Garden, London WC2E 8RF. Lots of lovely small presents – the Liberty Bar of soap, from the Minnesota Historical Society, handmade and wrapped in red, white and blue calico with a label declaring that "One Wash sets you free" (from odours), £2.50. Uncle Joe's Mint Balls from Wigan Pier Heritage Centre for £2.50.

■ Cassettes slip easily into most stockings. Traditional children's nursery songs on cassette can be bought for £3.99 each from Mr Humpty, PO Box 274, Watford, Herts WD1 2NF – there are three available, one has 40 traditional nursery rhymes, the other Old King Cole and another 37 different nursery rhymes while Children's Choice is a selection of popular children's songs.

■ From this weekend until Christmas, Greenwich Arts and Crafts market will be aimed at – guess what – the Christmas market and it sounds like a good place to find the hand-made, the one-off, the ethnic and the inexpensive.

Scented candles, *aromatherapy oils, toys,* pottery, tapestry, brassware and lots, lots more are promised. The Xmas Xtravaganza, as it is somewhat winsomely called, is on Saturdays and Sunday only from 10am to 5pm.

■ *At the other end of* London The Richmond Fellowship is having its annual Christmas crafts fair in aid of mental health this weekend.

Open from 11 am to 5 pm on Saturday and Sunday at 8 Addison Road, London W14, *the standard of workmanship* is very high – a marvellous opportunity to cross a few names off your list AND help charity at the same time. Admission is £2.50 for adults, £1 for children and pensioners.

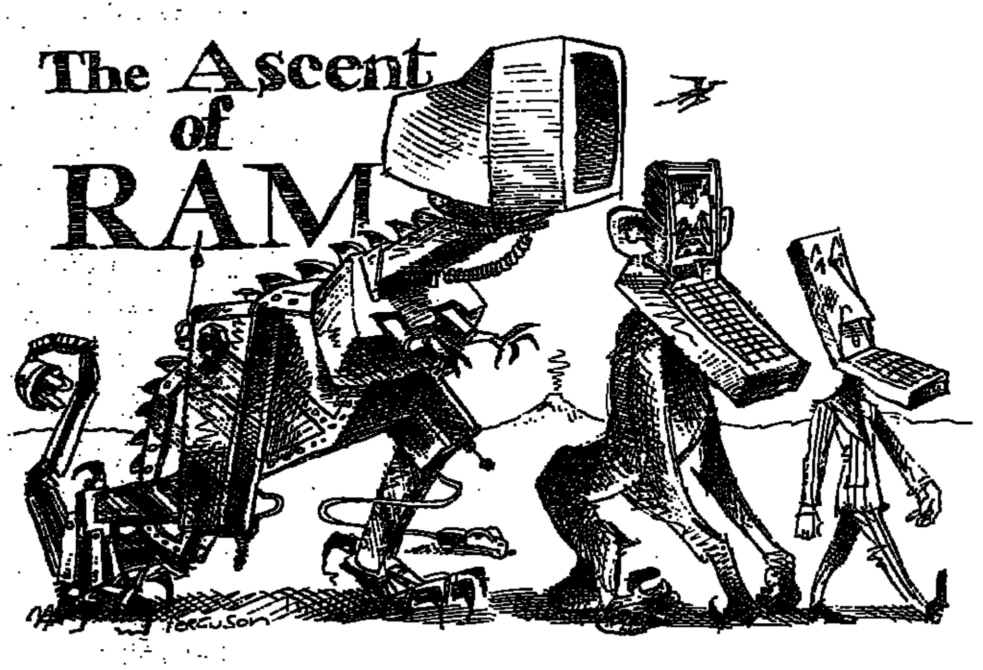
Lucia van der Post

Bigger bytes for half the price

Laptop computers are becoming smaller, better and cheaper, writes ***Max Wilkinson***

ANYONE who spent £60,000 on a new Rolls Royce would, I imagine, be annoyed to find that dealers were offering updated models for £30,000 only 12 months later. A similar chagrin must be afflicting those who bought a portable computer this time last year.

Prices are avalanching downwards, for a gratifying reason: competition is at last forcing vendors to translate improved technology into price cuts rather than margins and hype. Serious portable computers are joining the ranks of consumer products readily available in the high street. The latest generation of "Notebook" portables, particularly, will provide the much-heralded "office in the home" without submerging the living room in screens, boxes and wiring.



The inaptly-named Notebooks are as powerful as many office machines, yet only the size of a box of A4 paper. The important breakthrough has been the development of high definition (liquid crystal display) flat screens which are easy to read even in poor light.

A year ago, such machines cost £2,000 to £3,000. Now, they are pouring off the assembly lines and prices have halved.

So, for £900 or less (excluding VAT), high street stores will soon be selling slim boxes which a few decades go would have powered a whole university department. Even in modern terms, the newest *Note*books can be twice as fast and carry three times the memory of many desk-top computers. Some can store the equivalent of 140 paperbacks.

What possible use could such power be to the average consumer? The answer is that personal computers, like cars, are much easier to use as they become more complex.

Compare modern automatic gearboxes, for example, with the double de-clutch stick shift of an early Ford. Larger memories and higher speeds allow the use of programmes such as *Microsoft's Windows, which* draw pictures on the screen and liberates the user from the tedium of computer mechanics.

Those who are thinking of buying a sleek little number, to slip into a briefcase or desk drawer, should bear the following points in mind:

■ The top-range Notebooks are more powerful than most domestic users will need. As prices tumble, though, programmes (software) become ever more demanding, so it could be worth investing in surplus horsepower.

If your needs are modest (*writing letters, doing* the tax, checking out the share portfolio, sending the odd fax), the cheapest in the range will be adequate. But buy more memory than you expect to use.

■ The new Notebooks will drive down the price of bulkier portables and those with inferior screens. Bargains are available in the £300 to £600 range. Amstrad's Alt range, which have excellent screens and good performance, are likely to be discounted when the company's ANB Notebooks become available widely in December offering similar performance in half the size.

■ Never pay the asking price without comparing with mail order offers in magazines such as *Personal Computer World.* Many shops offer big discounts if pressed.

■ Beware offers of "free" software or printers unless they are exactly what you want. A discount might be better.

To be an informed buyer, however, you need to master a few technical terms:

1. THE SCREEN

The new portables boast high-definition (VGA) screens. You do not need to know what VGA stands for. I call it Very Good Attempt, and would not settle for less. Inferior screens are EGA or CGA. You might find them adequate for word processing. Some good machines with older screens, such as Toshiba's T1000 range, are going cheap (from £500) and will soon become cheaper.

2. THE PROCESSOR

The new Notebooks are labelled clearly with two engine sizes – 286 and the more powerful 383 (after the Intel 80286 and 80386 microprocessors). These may be run at speeds of 12, 16 or 20MHz (megahertz).

The 286 machines running slowly (12MHz) are fine for many purposes. However, the 386 machines can run several programmes at once, usually at a faster speed. That might seem unnecessarily fancy; but remember, these machines can all be adapted to send and receive faxes, so users increasingly will want them to monitor the telephone line while doing other work.

Moreover, Windows is encouraging software companies to write programmes that can be run simultaneously. Since the 386 processors cost hardly any more to make, they will soon be standard issue in new Notebooks.

3. RAM

Random access memory, in the heart of the machine, is a key to high performance. The standard size of 1Mb (a megabyte stores the equivalent of two fat paperbacks) is adequate for many purposes, but 2Mb or even more is needed to keep Windows moving smartly.

4. DISK MEMORY

All the new portables include an internal hard disk which can remember at least *20Mb*, 30Mb, 40Mb or even 80Mb of data and programmes. A few years ago, 20Mb was considered more than enough for most personal users. But falling prices and the rapid spread of programmes using Windows will soon make *40Mb* the norm.

So, armed with all this information, what should you buy?

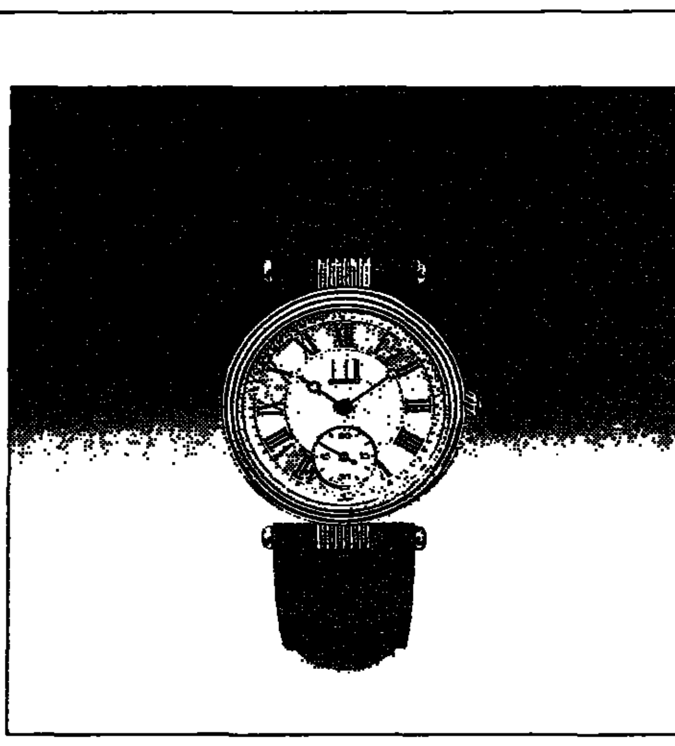
A basic 20Mb 286 Notebook, such as the Sanyo NB17 12, will get most people from A to B comfortably (and can run Windows). With an excellent screen and a price of under £900, it has been well reviewed. The big names – Sharp, Zenith, Toshiba, Compaq and Apple – are still more expensive in this sector. Yet, for the same money you could buy a faster 386 machine, with twice *the hard-disk capacity, from* Aries or Mitac.

Amstrad's new Notebooks, both 386 machines, are sure to stir up the competition. Its 20Mb model is being advertised at less than its £1,199 price even before it is available. The superior 40Mb version, with 2Mb of Ram and a speed of 20MHz, is already offered at £1,259, £240 below the list price.

Buyers may, therefore, be well advised to wait until *after* Christmas while the salvoes of the Notebook Wars continue. The argument for delay is compelling for anyone who wants to add a modem adaptor, which will allow a Notebook to hook into an office computer via the telephone network or convert it into a fax machine.

Modems which fit inside are the most convenient, but are still being developed for several Notebooks including Amstrad's. They remain fairly expensive (up to £400), but competition could halve prices.

If it does – and large numbers of people find it easy to hook-up to to their offices, their banks, an ever-widening range of services and to colleagues and friends – then the age of the Notebook will have arrived, especially if enough people discover that Windows takes the pain out of driving them. By then, no doubt, the shops will be offering 50 per cent more speed and four times as much memory . . .



Books that are worth digesting

***Philippa Davenport** with the pick of the year's food writing*

REVIEW copies of some of this year's food and cookery books have turned my study floor into an assault course. The usual routes from door to desk, and from telephone to files, are blocked by books clumped in piles like massive doorstops. Doorstopping is, alas, the only purpose for which many of them are fit.

To be worthy of shelf-space – in my house, at least – a food or cookery book has got to be good to read, good to cook from, or a valuable source of reference. If it is more than one of those things, so much the better. Anything else is a dead loss and, these days, an expensive dead loss.

First a serious reference book, **THE ENGLISHMAN'S FOOD:** five centuries of English diet (Pimlico, £10) by Sir Jack Drummond and Anne Wilbraham, his wife. Published first in 1939, fully revised in 1957 and now reissued, it is an authoritative and thought-provoking survey of food production, everyday eating habits and their effects on the health of the nation down the years. It is a book to make you think rather than salivate. Meaty, yes, but not too dense for the layman to digest because Drummond is such a good communicator.

Spanning an even longer period – from prehistoric times to the turn of the 20th century – is **POT LUCK** by Jo Lawrie (A.& C. Black, £7.95), the most appealing cookbook for children I have seen in ages. It manages to pack a lot into its pages, informing and entertaining simultaneously as it traces the history of cooking, kitchens, important ingredients, table manners and agricultural developments, as well as explaining the origins of phrases like "below the salt" and "upper crust".

No sign, thank goodness, of the rock bun tea-time recipes that fill most children's cookbooks. Instead, young readers are encouraged to make such things as nettle soup, soft fresh cheese, elderflower cordial, medieval meatballs spiced and studded with almonds, stuffed trout, mince pie made with more meat than fruit, and Anglo-Indian kedgeree.

TEN MINUTE CUISINE by Henrietta Green and Marie-Pierre Moine (Conran Octopus, £14.99) is the most practical cookbook of the year for those leading busy lives but who are keen to eat better on a day to day basis than take-away chill-fresh supermarket dishes – and it is an important book precisely because there are so many people in this category. Special praise to the book's designer for the typeface and for David Downtown's splashy colour drawings that capture the mood so well.

SOPHIE GRIGSON'S INGREDIENTS' BOOK (Pyramid, £20) is a *tour de force* embracing the amazing range of foods and flavours available to the late-20th century Western shopper – many of which I had not heard about. Grigson is a highly-individual writer, bubbling with fun. Her views are unreservedly personal and honest; she does not pull her punches about things she dislikes.

It is an idiosyncratic list of ingredients: rather than squash too much in, she has avoided any mention of meat, fish and game. But this is an informative and entertaining book that paints a vivid picture of each of the ingredients described. An ideal present for the adventurous food shopper and cook.

What a good year for Grigson books. Michael Joseph has re-issued **JANE GRIGSON'S VEGETABLE BOOK** and her **FRUIT BOOK**, two major works that should be core volumes for every cook; while Grub Street has brought out a new edition of **FOOD WITH THE FAMOUS**, which Jane Grigson said was the work she most enjoyed writing.

Anna Del Conte is well-known and respected by Italophiles for the unfailing clarity and reliability of her work. In her latest book, **ENTERTAINING ALL'ITALIANA** (Bantam, £15.99), she delivers entire menus.

An excellent cook and a natural hostess, she has a gift for passing-on knowledge and for organising. The menus are regional and seasonal, inspired by colour and her favourite ingredients. At the heart of the book is a collection of historical menus; a lovely idea. I am drawn particularly to the 18th-century Neapolitan menu with its rich *timballo "alla Pampadur,"* dedicated by its creator, Vincenzo Corrado, to Madame Pompadour; and to the even richer Sicilian baked macaroni pie, based on a description in Lampedusa's *The Leopard*.

From the best writer on Italian food in Britain to the best on English food: Arabella Boxer. Her **BOOK OF ENGLISH FOOD** (Hodder & Stoughton £17.99) brought waves of nationalistic cooking fervour back into my kitchen when it was published in September. It is my favourite food book of the year, equally pleasing to read and to cook from.

Its nearest rival is **VISUAL FEASTS** (Century, £20), a compilation of Boxer's writings for *Vogue* over 16 years with Tessa Traeger's photographs. This is seasonal in format, running from fiery chilli peppers and *cuisine de grandmere* for warmth and comfort in January, right through to caviar, British beef and other Christmas celebrations in December. The photographs are inventive; the writing restrained.

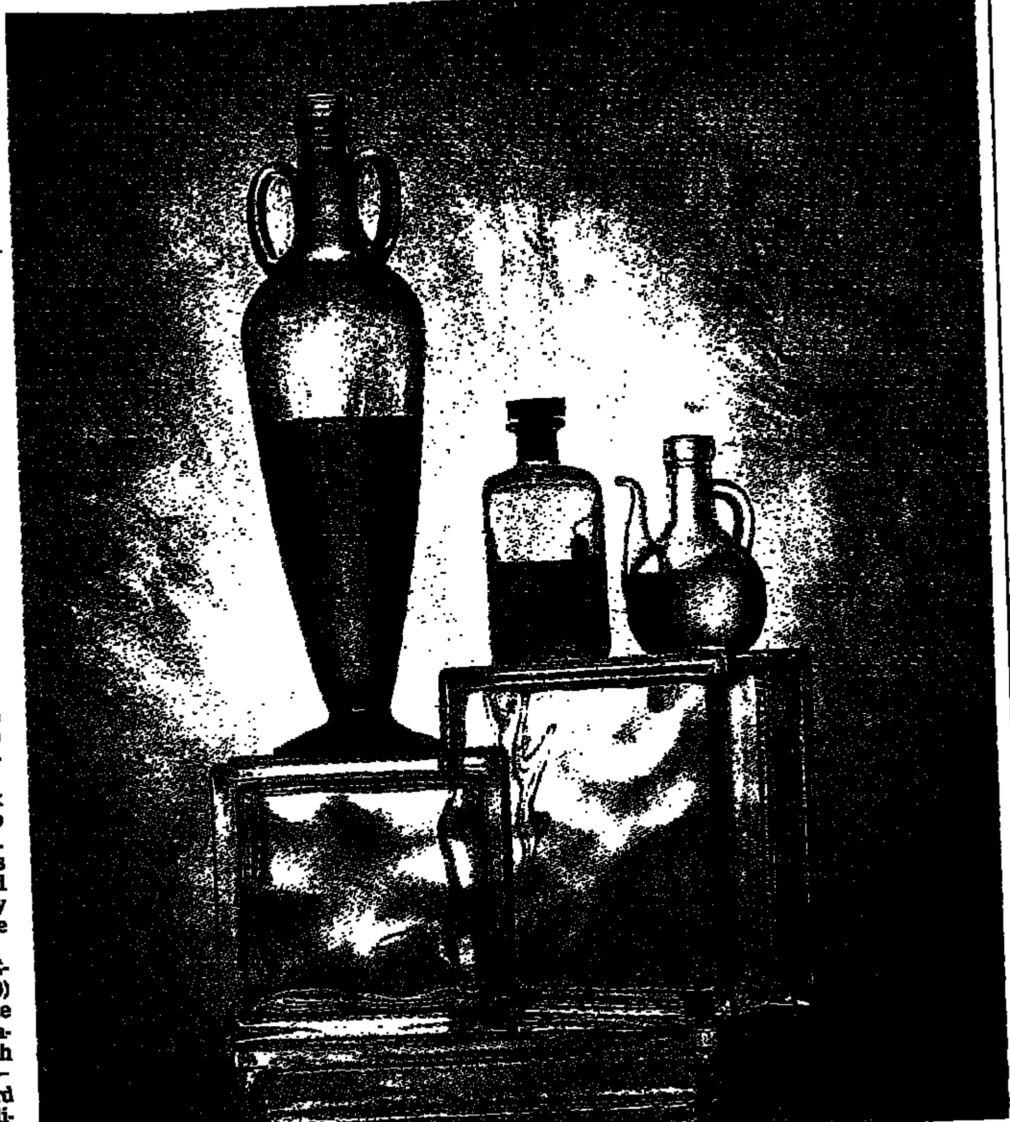
Leslie Forbes describes her new book, **REMARKABLE FEASTS** (Bloomsbury, £14.99), as a stock-pot of scrap memories. This is pretty accurate, for it is not so much a cookbook as a collection of postcards, a series of colourful pictures in words and (her own) drawings.

A born traveller and a lover of adventure, Forbes has a magpie instinct for pouncing greedily on the little things that capture the essence of a place, its people and its foods. Sometimes, the image she paints is fleeting and impressionistic. Sometimes, she lingers.

The pleasures – for me, at any rate – are uneven. There are highs; then the pulse weakens and, my tastes being less polyglot than hers, a fair number of the recipes leave me cold. But *Remarkable Feasts* is not really for those looking for a recipe book or others in search of a tranquil deckchair holiday read. At its best it is fizzing escapist stuff, a kaleidoscope collection of exotic sounds, smells and tastes that whets the appetite for travel and, occasionally, dazzles with culinary inspiration.

Back down to earth with paperbacks, of which three strike me as essentials for any food library: Patrick Rance's **FRENCH CHEESE BOOK** (Papermac, £12.99), the bible for all who love French cheeses and France; Lindsey Bareham's **IN PRAISE OF THE POTATO** (Grafton, £5.99), a splendid compendium of facts about and recipes for the blessed tuber; and last, but far from least, M.F.K. Fisher's **THE ART OF EATING**, five books written between 1937 and 1949 packed into one volume (Papermac, £14.99).

For sustained out-and-out pleasure of reading, nothing can beat it. Walk into a bookshop and have a taster: I recommend the recipe entitled To Make A Pearl on pages 164-165. After that, I expect you will be hooked.



Oils: some of the ingredients lavishly illustrated in Sophie Grigson's new book

*The best of the year's wine books will be reviewed shortly by **Edmund Penning-Rowsell***

Old world prices in the Alps

***Nick Garnett** finds an inn of happiness*

A YOUNG man walks into the Huberbräu-Stüberl in the old heart of Kitzbühel and seats himself at one of the large wooden corner tables in the busy eating room. He orders. Several minutes later the waitress delivers a bowl of soup with noodles. This is followed by a plate of veal in rich gravy with croquette potatoes and a sidebowl of green beans.

The man clears his plate but saves half the beans. He re-orders and, after a short delay, the waitress serves another plate of veal. Hungrier than he thought, the customer has decided to scoff two dinners.

At the Huberbräu, an old-fashioned inn-style restaurant in this Austrian resort, you can do this. Why? Because two dinners will not wreck your bank balance. The fixed menu three-course dinner at this cosy establishment costs as low as £3.75p (Sch75), including service. Even from the *carte*, a meal of onion soup with black bread, deer stew with potatoes and vegetables and a sweet cheese pancake in custard with two glasses of rosé and a bottle of mineral water costs no more than £11.

In a country where retail food costs are by no means low, such prices shame most British eating establishments with the exception of pubs. There are plenty of excessively-priced restaurants in Austria. But the Huberbräu-Stüberl has used the economics of Austrian businesses and a different philosophy of serving customers to offer a service rarely found in the UK.

"The philosophy here is that if you offer customers a good price they will return again and again," says Hermann Pichler, the business's young owner. "They might come for a meal, a drink or just a coffee and they'll tell their friends and we'll have good business 365 days a year."

Pichler spent several years working in the US. "There is a kind of Anglo-Saxon culture of making a fast buck, whether it is buying and selling a restaurant or in the prices it charges. I don't take that view of life."

The Huberbräu-Stüberl is not actually classified in Austria as a restaurant but as a *Gasthaus*. Different licensing laws and eating habits in Austria shape what the Huberbräu can do.

It is open from 8am, when it serves Continental breakfast as well as ham and eggs. From 9am customers can pile into the south Tyrolean red wine and local lagers all the way up to midnight. From 8am until closing time, snacks such as goulash soup and sausages are available. Full menus are offered from 11am to 2pm and from 5.15pm to 10pm.

The continuous flow of customers and the revenue from drinkers are two important features in keeping prices low. Food accounts for 55 per cent of turnover which last year was Sch9m (£450,000). Pichler says the restaurant averages 250 customers a day eating from the menu during the "season" – May to September and December to March. Service is fast and customers are expected to share tables.

Another factor in the establishment's economics is that the Huberbräu, housed in a building dating from 1361, is owned by a family member. Pichler pays a rent equivalent to about 4 per cent of gross sales. "In Kitzbühel that's great. It's usually 10 per cent."

An advantage for Austrian small businesses is reflected in the fact that Pichler can obtain a government subsidised bank loan at lower than the usual business borrowing rate. "It is a kind of young business person's loan for when you are setting up a business." Pichler says he is paying interest at 1 or 2 per cent less than more mature companies. This is on a loan of a few hundred thousand schillings taken out over ten years to remodel the kitchen and eating room.

The gross profit margin is about 8 per cent – say £36,000 – and net profit after tax is 4 per cent (£18,000). This sum, Pichler's net "salary," is not a huge one and makes a stark comparison with those restaurant owners in Britain who want to run a Rolls-Royce on the back of extortionate prices.

Pichler is a trained chef and has taken an eight-week business course in Innsbruck. "Everyone in Austria who wants a business concession must do a business course." Although Pichler's wife Gertraud does the books Pichler believes his training is crucial for the business.

The Huberbräu-Stüberl building has been owned by Pichler's family since 1890.

■ Huberbräu-Stüberl, 18 Vorderstadt, Kitzbühel 6370. Tel: 010-43-5356-5677.

The Huberbräu, where a three-course dinner costs £3.75

The sale of the century

***Jancis Robinson** on a New York wine experience*

RECESSION? What recession? seemed to be the message from the New York Wine Experience, a long weekend wine jamboree held there last month.

In one memorable session, lasting little more than an hour, seven wines from the fabulous Domaine de la Romanée Conti, "worth $350,000 retail", were poured into 1,000 mouths and rested there for a few seconds before, in many cases, being spat into polystyrene beakers.

Ticket prices for the entire Experience, from Thursday night's tasting via more than 250 wines to Sunday night's gala dinner and wine auction, were set at $750 (£423.70). The waiting list was closed when it reached 2,000 people, many of them (ex?) friends of Marvin Shanken, the event's organiser and editor and publisher of the magazine *The Wine Spectator*.

The auction, of 67 quite mind-boggling lots ("Fantasy Food Tour of France For Two," for example, and a collection of Krug from every vintage since 1928), raised nearly $650,000 for New York's Citymeals-on-Wheels.

If that sounds excessively quantitative from a pen usually resistant to combining wine and numbers, just remember this was New York. We were usually given the figures before experiencing the quality.

But the quality was more amazing than any number of digits. Each of Bordeaux's first-growth proprietors was there, David Orr presenting, with fellow director Hugh Johnson, 324 magnums – worth $250,000 – of Château Latour back to 1961.

Each taster was presented with a lump of Latour gravel, a clever 300-kilo idea that must have detonated a few expletives back in Pauillac. Other major sit-down tastings for a thousand encompassed Australia's legend-in-a-bottle, Penfolds Grange, an "outrageous" selection of wines from Gaja, Italy's most expensive source, and a clutch of top California names.

There were less formal tastings on three successive nights consisting of nearly 200 booths at which one great wine was poured, often by the wine hero who made it, or at least funded the making of it. Louis Latour presented his Corton-Charlemagne 1989, while Louis Jadot's version was on tap just round the corner, together with head of the firm André Gagey.

You could take your glass for countless refills of five good vintages of first-growth bordeaux, Bollinger RD 1982 from Christian Bizot, Brunello di Montalcino 1985 from Jacopo Biondi-Santi, 1986 Ornellaia or Sassicaia from their respective proprietors – and Christian Moueix was even occasionally spotted at the Dominus table.

Why do they all do it? Presumably because the others do and because times are too hard to run the risks of being left out. If you can persuade one first-growth owner you can usually persuade them all in today's spirit of co-operation at the top.

That co-operation can cost dear however. Each owner felt impelled to embellish lot 31 – a magnum of the glorious 1945 vintage from each of the first growths – when the bidding showed no signs of rising above the $30,000 cajoled from the room by irrepressible Australian Len Evans for a two-week assault on the liver Down Under. Some of them whiter than others, the first-growth owners ended up further committing themselves to flying the successful bidder to Bordeaux to dine at each *château* with "no wine from this century". An expensive way of upholding Gallic pride.

Perhaps the most extraordinary sacrifice on Shanken's altar of excess was that of the co-owners of the Domaine de la Romanée Conti, Aubert de Villaine and Lalou Bize-Leroy. That they were prepared to open 504 bottles of their wines – only two of which were corked – that sell for several hundreds of pounds a bottle even when young, is surely a significant comment on the fine wine market.

It had taken, we were told, six years to persuade them to expose DRC wines thus; even Khrushchev, then Soviet leader, did not manage to winkle a bottle out of them when he visited back in the 1960s.

The co-owners approached the ballroom podium of the Marriott Marquis as though it were the scaffold. Aubert de Villaine began by saying, with characteristic courtesy but unmistakeable gloom, that this tasting was "the first, and possibly the last, of its kind. I need not tell you how strongly our arms had to be twisted."

The logistics of simultaneously serving any eight or nine wines in different glasses at the right temperature and providing the requisite water, tasting sheet, edible blotter and spittoon can be imagined by anyone who has ever tried to serve more than one red and one white at home.

The Domaine added the extra complications of discouraging decanting of their irreplaceable but sedimented bottles. One of America's top *sommeliers* accordingly proceeded along each row of tasters, pouring reverently from one bottle, followed by a waiter/bearer with the other two assigned to the row.

Beside me as the 1954 Richebourg was poured, a famous French woman chef, now teaching in the Napa Valley, burst into tears at the childhood memories it evoked. On my other side, a big *formaggio*, in one of the major Italian import companies, was slipped double measures of 1979 La Tâche by a *sommelier* keen to impress.

Could such an event take place in Europe? One of Burgundy's great names and I agreed it would be a different animal entirely if ever exposed to British amateurism, Latin timekeeping or France's penchant for speeches. Although if any British wine merchant could pull it off, Lay and Wheeler of Colchester, Essex, could, to judge from their recent 20-glass Château Palmer tasting and dinner for 170.

A sommelier's nightmare: umpteen wines and 1,000 tasters

هكذا من الأصل

FOOD AND WINE

A feast of memories for epicures abroad

Kieran Cooke puts Christmas into perspective

THE AIR in County Galway the other day was full of fantasy and reminiscence. A friend and I were sitting in the snug at Moran's, one of the west of Ireland's great pubs and oyster houses. The autumn sun streamed in through the small window. Soup and shellfish were dispatched. Fresh pints were brought.

Like the swans on the dark, cold sea outside, conversation drifted along comfortably. Truly-relaxed talk knows no logic and is possessed of remarkably little structure. Especially in the snug at Moran's. We ranged through friends and enemies, dwelt on the art of compost-making, had an animated conversation about Morris Minors and pondered the ramifications of Prince Sihanouk's return to Cambodia.

By a process of liquid osmosis, the talk turned to Christmas, food and restaurants. One Christmas back in the early 1970s, we had met in Vientiane, the capital of Laos. We remembered how, by various cunning stratagems we gained entry to the town's crumbling French Officer's Club restaurant for a Christmas day meal. There, with the communist Pathet Lao knocking at the door, we indulged in French cuisine of the highest quality, surrounded by old *colons* and Laotian princes who already had their bags packed for exile in the south of France.

Back in Moran's, we moved on to fantasise about the ideal way to eat our way through Christmas and the bleak months beyond. Restaurants were selected. A list was made. In some respects, food had little to do with it. It was much more a question of atmosphere, a certain conviviality which, like a good sauce, washes well-being and contentment gently over one.

Realistically, we had to agree that the French Officers' Club restaurant is probably no more and its wine cellar, below the Mekong, dry. The local baker, who used to make such excellent *baguette*, is likely to be running an empire in France. Gone, too, is the old Bela Vista in Macao, one of the great Christmas hideaways. The Portuguese manager would sing *fado* very tearfully at the Christmas dinner. The food was diabolical and the bath water always ran rusty. Now, I hear it is undergoing ghastly remodelling.

So, instead, we move down to Kuala Lumpur for the Christmas meal in the Coliseum Hotel, bar and restaurant. Here, in the company of rather ancient, yellowing rubber planters and the establishment's mostly Indian clientele, you can gnaw your way through a sizzling steak, the house speciality. Waiters tie bibs around your neck and lift the tablecloth as they drop the meat onto your hot plate. The meal is best washed down with amounts of Anchor or Tiger beer. The Coliseum also serves the best Singapore Sling to be had anywhere. Afterwards, you can lie down upstairs under a gently-squeaking fan.

While still in Eastern parts, we think we should pop over to Indonesia and the Oasis restaurant in Jakarta. Presided-over by a venerable old Dutchman, the Oasis has more than a touch of *fin de siècle* about it. It is the sort of place you expect to see Nehru and Lady Mountbatten chatting in the corner, or bump into a Siamese princess. I found it best to visit in the company of Dewi Sukarno, but that is another story.

After a look around Borobodur in Java and a rest on the beach in Bali, we decide we had better edge back towards Europe. First stop is Istanbul. After a bottle of rather rough Turkish champagne in the bar of the Pera Palas hotel, it would be round the corner to Rejan's.

Rejan's is run by a group of White Russian ladies who talk rather decorative, old-fashioned French. If you hanker after the Levant or fancy yourself a Balkan-watcher, this is the place: mahogany-covered walls, old portraits, people huddled over tables talking in long-forgotten tongues. The food is forgettable and beware the home-produced lemon vodka. But the atmosphere is worth every Turkish lire.

Staying in the general area, we move south to the island of Aegina, about two hours' ferry ride from Athens. Vassilis's is one of those rarities in modern Greece – a traditional taverna which has paid no heed to the tourist hoards. Aegina is more favoured by Greeks themselves than foreigners: on a Saturday evening, Vassilis's is full of Athenian families who have houses on the island.

Vassilis himself is a monument of a man, immaculate white hair and combed moustache. Somehow, he always finds a table for his regular customers. In winter you sit inside, close to the steaming kitchens. The rabbit stew is particularly good and the retsina leaves your tongue in passable condition.

On to France where Le Bistrot du Paradou near Tarascon, in Provence, is the next suggested stop on the fantasy tour. Choice is a terrible thing in a restaurant; it not only muddles the brain but, in most cases, leads to mediocre food. Give me a strictly-fixed menu any day.

Le Bistrot du Paradou has thrown choice out the window. It is a totally undemocratic eating establishment and gastronomic bliss from start to finish. It is also very reasonable, to be appreciated best in the dark winter months before the Parisians and the English Range Rover crowd arrive.

In London, we decide to allow ourselves two meals. Lunch would be at Manzis, in Soho, with a table downstairs by the window, the better to peer at the action both within and without. The hot jellied eels to start and the poached turbot to follow.

Moving ever closer to the west of Ireland, we cross to Dublin. The Irish capital is full of rather pretentious restaurants which charge laughably high prices. The Unicorn, an Italian restaurant in an alley off Merrion Row, is an exception. Best to go on a Saturday lunchtime when the place is full of all manner of risky characters, tipsters and parliamentary deputies to the fore.

We have hurried back to Ireland because by this stage in the Christmas tour, what with various deviations and missed connections, it is probably April. That means it is the last month for oysters in Ireland until another "r" pops up in the month of September. So, we return to Moran's where Willie Moran, who runs the place, used to be world oyster-opening champion. He can do 30 in one minute and 31 seconds.

Even thinking about food on a global scale has been exhausting. How to raise the funds to turn the Christmas tour into reality is another matter. Perhaps it is best to put your faith in Santa Claus or let such fantasies, like the swans outside, drift off into the twilight.

■ Moran's, The Weir, Kilcolgan, Co. Galway, tel: 091-96113; The Unicorn, Merrion Court, Dublin (01-688-552); Manzis, Soho, London (071-734-0224); Le Bistrot Du Paradou, nr Tarascon, Provence. Rejan's can be found by seeking directions at the Pera Palas, Istanbul. Vassilis's restaurant is in central Aegina on the road to Agia Marina. Any self-respecting taxi-driver in Kuala Lumpur and Jakarta will oblige with directions to the Coliseum and the Oasis.

Excuse me, sir that's my hat

Nicholas Lander on the client, the coat and the cloakroom

WINTER brings another potential *battleground* between restaurateur and customer – the cloakroom. During spring and summer most are little used and, come the change in the weather, the cloakroom attendant may have left, bored with the inactivity and lack of tips.

Suddenly, there is an avalanche of coats, a forest of black umbrellas, and a mountain of briefcases. Bags, some containing papers vital to the earth's future, need to be safely guarded, or so the owners claim. How can they be looked after and what are your rights if they are not?

Before considering rights and responsibilities one point has to be made. Whatever any restaurant may do, we do not take enough care of our possessions when handing them to complete strangers for safe-keeping. We scarcely glance at the raffle ticket we take as security. After a good meal some simply forget what they came with, others discover a day later that they are wearing the wrong coat

One restaurateur still has an initialised suit hanger with a complete set of clothes inside and, in his safe, a gold and platinum signet ring. The owner phoned to locate it but never bothered to collect. Most restaurateurs have a good collection of spectacle cases, and, from days when it was raining at 1pm but not at 3pm, a score of umbrellas.

Many restaurateurs fail to see the importance of the cloakroom when they open for business. There is no ideal location. If it is beyond the reception area, it can cause serious congestion in the restaurant, if it is in front of reception, customers without bookings can leave their coats, find the restaurant full and then have to retrieve them somewhat disappointed.

Fewer still realise that looking after their customers' coats will actually cost money.

Most restaurateurs will be insured against such loss, many with Paul J. Geoffrey Associates, a firm of north London brokers which has devised a commercial public liability policy, called "Menu," specifically for restaurateurs. A common policy, covering £20,000 of customers' belongings with a £250 limit, will cost a premium of £400 per year.

That may be a small price to pay. The disappearing coat can be upsetting for customer and restaurant. According to Roger Lewis, a London solicitor, the onus is on the restaurant to show that, if a member of its staff has taken the coat, it has not been negligent in looking after it. If, as happens in many small restaurants and pubs, there is only a communal hat stand and the customer hangs the coat, the restaurant is not liable for loss or damage.

The ubiquitous notice disclaiming management liability for loss may be effective if it is prominent, explicit and reasonable. But, if the restaurateur tries to enforce this, he or she can end up by losing the customer as well as any eventual case. If it does go as far as the courts, or is settled by insurers, no account is made for any emotional loss and, unfortunately, it is inevitably a customer's most cherished coat that has vanished.

What can you do to prevent your favourite coat or bag from going missing? The initial and most obvious advice is that you personally take better care of your possessions and make sure that all your items are covered by an individual insurance policy. Then, try to minimise the risks. Avoid Burberry coats, black umbrellas and boring briefcases.

A number of restaurants are improving their cloakroom systems by replacing the raffle tickets with laminated cards which carry the restaurant's name with the words: "Property can be returned only in exchange for this ticket."

One restaurant fines its attendant if cards go missing and has not had a claim for a lost coat since the scheme began three years ago.

Finally, if your coat, bag or umbrella does go missing, do not take it out on the attendant. They are usually working for pin money – although not bad pin money. A busy shift can yield £50 in tips.

Always ask for the manager on duty, who should be aware of the restaurant's moral and legal responsibilities. While he is taking your details, the cloakroom attendant may be dealing with the customer who has just walked back into the restaurant wearing your coat which, for minimum risk, should be any colour other than black ... or grey, or navy.

Long day's journey via Ulan Ude

*A Trans-Siberian journey is tough, says **Simon Vail**, but British Rail is something else . . .*

AFTER A vigorous snowball fight in the heart of Russia I wandered off down the platform at Bogatol. Dazed by the cold, I suddenly sensed the dark-green shape of the Trans-Siberian sneaking away. With a running jump I pulled myself up the high steps of a carriage, attracting the scornful glance of a lady attendant, the *provodnik*.

At Ulan Ude, 5,647 kilometres from Moscow, the temperature was 18 below, the snow ankle-deep. Passengers trod cautiously at Ulan Ude, looking for a stall selling hard bread rolls or pinenuts. As the train continued its relentless journey, attendants swept away the snow from the corridors. In the rocking, swaying carriages, coal-fired boilers created a thick fug, hot enough for travellers to walk around in short-sleeved shirts.

My companions from Peking to Moscow were three lads. Steve from Liverpool spoke of women from Thailand. Henri the German charmed the women on the train. Andrew from Devizes drank his way to Moscow. The sight of four men living together for six nights on a showerless-train, from 8.15pm on a Saturday to 2pm the following Friday, was not a pretty one.

We foraged in the restaurant car, which functioned at odd times in a haze of steam and grease. It seemed to run on Moscow time, five hours behind local time, and was dominated by a ferocious controller of food who doled out liver and rice twice a day, supplemented by brown bread and wholesome *borscht*. Gristle floated in the purple liquid. Eggs and fizzy apple juice were dispensed in return for Marlboro cigarettes.

I returned to my carriage to feast on hoarded cheese, ham and instant coffee bought from the Peking Friendship Store. As days went by, the compartment filled with slivers of half-eaten cheese, soggy tea bags, drained beer cans, empty vodka bottles, old tins of pear halves and soggy butter-cream biscuits.

In the early mornings the sight of the filth and the thought of more *borscht* brought me dreams of my farewell breakfast at one of Hong Kong's most exclusive hotels. Seated at a spotless tablecloth, I had dined on a succulent, twin-cheeked mango, smooth creamed muesli and a perfectly coddled egg hiding under slivers of pink salmon.

Such gilded service ended abruptly in the passport control queue at Hunghom railway station, waiting to leave Hong Kong. I passed the first three hours to Guangzhou recovering from champagne, watching Hong Kong's tower-blocks vanish at the Chinese border.

A horde of vicious taxi drivers surrounded me at Guangzhou, demanding to be paid in Hong Kong or US dollars. It was not an inspiring town, and it was with relief that I boarded the 35-hour, No 16 express to Peking.

Hard class on Chinese trains is a six-bunk, open compartment. Edifying music roared from a loudspeaker. My Hong Kong Chinese police companions ate pot noodles and brewed instant coffee from sachets while an aunt and her niece inspected the knitting patterns in my jumper. A Chinese doctor, returning to Peking, became more and more devoted to two English women.

After a frantic week confirming tickets and queuing for hours for a Russian visa, the Trans-Siberian seemed an orderly haven. The train was overwhelmed by drunken Polish businessmen, cramming their compartments to bursting with huge bags of silk and leather jackets for sale in Warsaw. Champagne Christoph, a burly Pole, shared a compartment with three English travellers.

Christoph had 5,000 ballpoint pens which he planned to sell in Poland. Trade was brisk on the train. The US dollar bought four times the official rouble rate: KGB watches, army badges, knee-length coats, fur hats and carved chessboards. At stations people would offer to buy training shoes, coats and western watches, no matter how old.

My plans went wrong in Moscow. I had nowhere to stay and there were no reservations available for Budapest, said the Intourist booking office. I could not stay in the Intourist hotel since my transit visa had no Moscow stamp, but if I paid for three nights' luxury accommodation at $189 per night Intourist might stamp Moscow into my visa. I said I would return to the railway office and see if it was possible to find a reservation.

The alternative booking office was a scrum of dispirited people. A man from Omsk, trying to emigrate to Israel, attached himself to me in return for English practice. The helpless westerner was found a place to Budapest. All seemed well, but my 10-day visa was set to expire on the 35-hour ride to the border. However, an extension was speeded by a letter from the British embassy.

At the Hungarian frontier the searching was thorough, the guards checking floor compartments and tramping along the roof of the train. My Armenian companions had their binoculars confiscated, and a mysterious Russian who had spent the journey reading Walter Scott was taken off the train.

In Budapest I ate a kilo of tangerines and took the Orient Express for Vienna, where I sank into the opulence of the Hotel Sacher. Austria, Germany and France were swallowed up by the Orient Express and the gliding quietness of wagon lits. The ferry *Horsa* chopped through a grey English channel and landed at Folkestone.

Here I was confronted by British Rail and the dirtiest carriages of all. The train shrieked and groaned up the hill to the main line, driving one earnest man to St Mark's Gospel and an Australian to nervous smiles. Mindless music, and a cancelled 3.47 to Orpington, greeted me at Victoria.

Undaunted, I strode into the Savoy Hotel for tea at 4pm. All did not go smoothly. "You have a reservation? No?" said a disagreeable receptionist. "You have a tie? No? You cannot take tea without a tie."

Attendants kitted me out with a pink double-breasted jacket, a weary sort of tie and sniffed at my scuffed shoes. Office parties babbled and formidable dames from the counties inspected their young London relations.

Fifteen thousand kilometres began to slip away, but only after specially-ordered cucumber sandwiches and a glass of champagne.

■ An invaluable guidebook is the *Trans-Siberian Handbook* from Trailblazer Publications, The Old Manse, Tower Road, Hindhead, Surrey, £8.95.

A stall-holder in Moscow

Snapshot

Anything else, sir?

I HAD six hours to kill between flights at JFK airport. A traveller disorganised enough to create such a wait for himself would almost inevitably be scruffy and in need of a haircut. I was.

Seeing a shoeshine stand initiated the quest. My shoes were suede but if that service was on offer, surely there would be a barbershop? After all, an international airport on a weekday is a virtual reservoir of temporarily captive affluent males, most with time to kill. Even discounting the bald and the pony-tailed, there must be a fair number who could fill in a little waiting time with a trim.

Six queries to staff inside the Pan-Am terminal led nowhere. There had *been* a salon at Eastern Airlines, someone ventured. Perhaps the demise of Donald Trump killed the quick trim as well? TWA used to do haircuts, offered a skycap – as if they were an alternative to cheap trips to Hawaii on the frequent-flyer programme. However, his sidekick added that the TWA service had been snipped.

Finally, the bald but obliging youth tending the Pan-Am left-luggage office came up with hard information. He was nearly sure that someone would cut my hair at the International Arrivals Building. It was a thin lead, but with six hours to kill . . .

The mezzanine floor at the IAB was well supplied with shops and bars but nothing that looked like a hairdresser's salon. Quizzed point-blank, a security guard conceded that a haircut was obtainable. Down the corridor and go in at the Post Office sign.

Bemused, I headed for the post office. At the rear stood a traditional barber's chair. Finished in oxblood vinyl and chrome, it was designed along the lines of a 1957 Chevrolet.

A large man with fists like hams and cauliflower ears knew what I wanted. The long straggly wisps over my collar gave it away.

Juan came from South America, had three grown-up daughters at home in Queens – and turned out to be a surprisingly good barber.

Enough to say that at $25 it was three times what I pay for a haircut at home in Devon. But it had wiled away an hour or two. At the end of it I looked presentable enough to bluff my way into the first-class lounge.

Keith Wheatley

TRAVEL

Off piste, out of this world

***Rebecca Stephens** tackles tough skiing in the Swiss resort of Klosters*

I WAS scared, hanging precariously on a rope halfway down an icy gully. The gully was Grade II, or so my climbing companion said; as if I cared. It was hideously steep, that I knew, and the ice slippery, impenetrably hard. My skis were strapped to my back, my poles hanging awkwardly from my wrists, tangling between my knees. Just below me was the climber. One slip and I would have taken him, our guide and an avalanche of debris hurtling off the mountain.

My relief on reaching the bottom was apparent. The guide looked at me, anxiously. "You won't write anything bad?" I smiled. The episode had been a small hiccup in what had been my happiest week on skis.

I was in Klosters, Switzerland, on a powder course tailor-made for my requirements: six days off-piste, Swiss mountain guide, maximum four to a group. This was it – this week I was going to master skiing powder.

I failed in that. But then, a powder course without powder has to be something of a compromise. The weather was warm, too warm if that is possible; the snow light but good only early in the day. By mid-afternoon it was melted sorbet.

There were just two of us, as it happened. An elderly gentleman had booked but dropped out with a bad back. His wife dropped out, too, leaving me and the climber. The climber was a plastic surgeon of disturbingly youthful looks.

Day one got off to a bad start. It was blisteringly hot, the snow slushy and wet. Our guide, Markus, took the opportunity to instruct us on the idiosyncratic bleeps of the Barryvox, should we encounter an avalanche. But there would be no skiing, no risk today.

The nights cooled, though, and by day three we had learnt that early to rise and early to finish for a long and late lunch satisfied all parties satisfactorily. Each day was a different adventure: from Klosters over the hills to the dreamy backwater village of St Antonien, or across the frontier – marked only with a wooden post, weathered and unattended in a lonely *col* – to Gargellen in Austria, or to the summit of Pischahorn above Davos.

That last day on the Pischahorn was special. The joy started the moment we left the cable car, donned skis and skins and turned our backs on the manicured piste. Half-an-hour's walk and there was no sign of organised jollity: no ski-lift, no quaint Alpine restaurant, no people.

Markus led, higher and higher, zigzagging fresh tracks along the snowy slopes of the Pischahorn. An hour's energy spent and Markus stopped, and stooped: "Chamois", he said, pointing at the tiny hoof prints of this delicate creature. There were foxes, too, and hare.

Two hours and 1,500 vertical feet later we were standing on the wind-blown rock of the summit. In front and behind – all around – stretched peak after glorious Alpine peak, fading into a distant sunshiney haze.

It was then that we had the hiccup in the gully. I wondered: would Markus have dragged the elderly couple down here? Perhaps not. But perhaps yes. In a week he had sounded our failings and weaknesses, our fears. He had pushed us just so far, and the reward was always ours.

At the foot of that high gully lay a complete mountain for us to ski: high open faces, slopes and open woodland covered in fine spring snow. Whooping and singing, we followed Markus's every turn, around rocks and trees and tiny outcrops of Alpine heather.

On that last afternoon Markus led us to a wooden *berghaus*, far from anywhere. It was his brother's, and shut for the winter. While the surgeon and I stretched exhausted on wooden benches in the sunshine, Markus produced as if by miracle a bottle of cooled, crisp Ferdant wine.

I rolled my head, and watched him pour three glasses. I still had not mastered skiing powder. But what the hell!

■ Rebecca Stephens skied with Powder Byrne Ski Travel, 50 Lombard Road, London, SW11 3SU. Tel: 071-223-0601.

Sun-blasted at Dead Horse Point

***Nicholas Woodsworth** explores the Colorado plateau, a biblical wilderness where Utah, Arizona, New Mexico and Colorado meet — a world that will stop you in your tracks*

"HOW ABOUT some burritos?" It was 106°F in the shade and I was sitting on John McDonald's front porch watching flying ants. By some strange natural chemistry the thick lawn in front of the house was seething with the insects, newly-born.

"They hatch from the soil when it gets good and warm," said McDonald. "They fly around town and then disappear for a year. I think they like my lawn for laying eggs – there aren't many nice soft lawns around. Now what about some burritos to go?"

I was enjoying sitting with my bare feet up on the wrought-iron porch railing, gazing through deep shade across the smooth grass. In the middle of it, in front of the McDonalds' neat white clapboard guest house, an American flag hung limp from a flagpole. At the far end of the lawn, Highway 191 ran past into town. It was shimmering in the heat.

John McDonald was right: there were not many lawns around here. Move from the shade trees and front lawns of Moab, in either direction along the road, and there is only the red stone of desert valleys, the bluest of skies and a burning sun that makes lizards run for cover. You may be able to get fast-food burritos in Moab but where town ends, the high desert of south-eastern Utah takes over.

Coping with the extreme environment takes most of Moab's time and energy. Moabites like John and Rachel McDonald are a rugged, backlands people whose character somehow corresponds with their town's Old Testament name.

Like many people in town they are fervent Mormons. Moab may be slowly losing its frontier atmosphere, but the wilderness all around remains biblical.

This part of the Colorado plateau – a vast unpopulated land spread around the point where Utah, Arizona, New Mexico and Colorado meet – was not settled until the first Mormons arrived in the 1870s. Mineral prospecting, Indian fighting and running cattle on the cooler mountain pastures make up the larger part of Moab's history.

Four or five years ago John McDonald was running one of the most important businesses in town – an ice factory that kept Moabites cool and fresh through the long, sweltering summers. Today, though, tiny Moab is starting to see a generous scattering of air-conditioned hotels, restaurants and tour arrangers on either side of its broad main street. Slowly, the outside world is beginning to learn that the country around Moab offers some of the least exploited, most spectacular scenery in the US.

Moab sits in the middle of a great deal of emptiness. The Colorado plateau is bordered on the east by the Rocky mountains and on the west by the great basin of Nevada. To the north lie the Uinta mountains of Utah; to the south the Sonoran desert sweeps away to Mexico. On the plateau's mile-high surface are six of the most exceptional national parks in the US.

Geographical isolation aside, it is difficult to know just how this area has remained a relative secret. Visually, it is one of the best-known panoramas in the world. Pick up a magazine anywhere these days and you are likely to see south-eastern Utah staring out at you from behind a man with a stetson and a cigarette hanging jauntily from his lips. This is one of Phillip Morris's preferred locations for advertisements. Go and see the Grand Canyon with 10,000 tourists if you like, the cowboy with the moustache seems to say, but if you want the *real* outdoors, come to Marlboro country.

This is the West as it rarely exists outside dreams and full-colour ads. There are stone canyons, flat-topped mesas, lonely red rock buttes, great mountain ranges. Best of all, much of the time you can appreciate them virtually on your own.

It is an old landscape born more than 300m years ago. Once this area was an inland ocean where countless layers of sediment were deposited, forming crusts of sandstone, limestone and shale. What you see in these national parks is the artistry of erosion, wrought on this layered stone for 150m years.

There are more than 1,400 miles of roadway linking the parks and desert highlands of what is known as the plateau's Grand Circle. But go almost any distance and you will find a world that will stop you in your tracks. I spent fewer days than I would have liked just south of Moab in Canyonlands national park. Here, more than one vertical mile of stone has been stripped away by erosion, leaving a fantastic landscape.

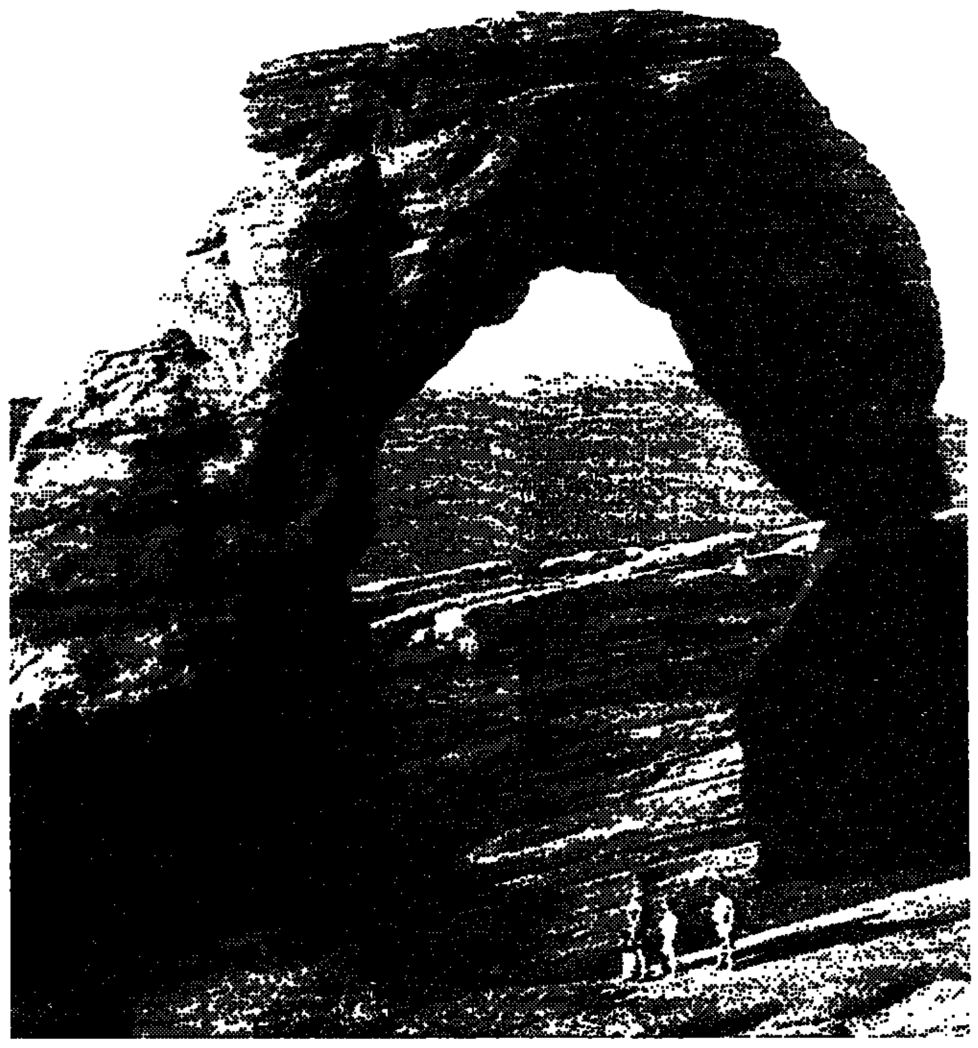
The rock is so deeply coloured that it leaves the underside of the clouds overhead glowing pink. There are stone needles hundreds of feet high, delicate arches you could fly an aircraft through, towers and chimneys, 100-ton stone mushrooms and striped cliff- and canyon-sides that reflect every hue of a child's paint-box.

The names of Canyonlands' natural phenomena give some idea of their strangeness – Turk's Head, Cleopatra's Chair, Island in the Sky, Devil's Kitchen, Silver Stairs, The Maze, Angel Arch, Hardscrabble Bottom. All live up to the fantasy their names create.

No name, however, can give any idea of the grandeur or scale of this land. One blazing day when I could have been lounging in the shade at John McDonald's guest house, I spent an entire sun-blasted afternoon at a place called Dead Horse Point. I found myself unable to drag myself away from the vista, scene of cowboy round-ups and equine disasters.

Swallows were practising death-defying feats along the lip of gargantuan red cliffs. Gnarled cypresses twisted their way out of fissures in the bare rock. Below, 2,000 ft down, the deep green Colorado river snaked by. The man in the Marlboro ads is right. If there is anywhere in the US that remains magnificently wild, it is here.

■ Information on the Colorado plateau and its national parks can be obtained by writing to the Utah Travel Council, Council Hall, Capitol Hill, Salt Lake City, Utah 84114.



Arches National Park: the artistry of erosion, wrought on layered stone for 150m years

MOTORING

Going green in 1992

***Stuart Marshall** on the Car of the Year title*

EUROPE'S Car of the Year Contest for 1992 had one of the largest entries in its 28-year history – and some of the oddest mid-field results.

Volkswagen's latest incarnation of the Golf won the award by a clear margin. Runner-up was the Vauxhall Astra (Opel on mainland Europe) and in third place was the car many expected to win, Citroën's ZX.

I forecast the ZX would be Car of the Year 1992 in this column five weeks ago but I hedged my bet. Giving the award to a French manufacturer for the third year running – the Renault Clio got it last time, the Citroën XM the time before – might, I thought, be too much for some members of the 59-strong jury to swallow.

Why did the VW Golf win with 276 points to the Astra's 231 and the ZX's 213? It cannot have been originality. Like the Astra, it is an evolutionary product. It is obviously related to the previous model range though it has many significant and safety-related improvements. (The ZX, on the other hand, was a completely new model and, for Citroën, a new class of car).

Clearly, many members of the jury decided safety and environmental concern were the flavours of the year. They reacted well to VW's decision, when launching the new Golfs in late summer, to major on their crash resistance, standard exhaust catalysers, side-impact protection, recyclability of plastic parts and lower average fuel consumption.

Performance – even that of the 2.8-litre, V6-engined Golf with its unprecedented 174 horsepower – was hardly mentioned.

Number one: the new Golf, voted Car of the Year 1992. This top of the range VR6 will cost over £18,000

Car of the year — how the judges voted

1	Volkswagen Golf	276
2	Vauxhall (Opel) Astra	231
3	Citroën ZX	213
4	Volvo 850 GLT	197
5	SEAT Toledo	135
6	Peugeot 106	112
7	Audi 100 and BMW 3-Series	54
9	Honda Civic and Mazda 121	48

General Motors, too, said little or nothing of top speeds and acceleration when unveiling the Astra at almost the same time as the Golf. Highlighted were its standard seat-belt tensioners, side-impact door beams, pollen filters, catalysers, security deadlocks on doors and theft alarms.

Just how deeply environmental concerns influenced the result this year can be seen by the derisory 45 points awarded to the Mercedes-Benz S-Class, which came 11th. This is a direct descendant of the Mercedes-Benz 450 that won the Car of the Year Award in 1974. Yes, it is large (and large-engined), expensive and inevitably rather thirsty. But, by common consent, it is also the best volume-produced luxury car being made anywhere today.

Looking back, one recalls Citroën's CX narrowly defeating the first Golf to become Car of the Year 1975. Ten years later, the Golf's successor was narrowly robbed of the title by the Opel Kadett. Was it third time lucky for VW – or did enough jury members feel it was now Buggins's turn?

The cross-engined, front-wheel driven Volvo 850GLT impressed the jury as much as it did me when I drove it in Sweden last June. (We will not see it in Britain until next summer). It came fourth, with a healthy 197 points, even though its styling makes it look like a 20-year-old, rear-drive Volvo, not the totally new car it is.

Nor am I surprised that the SEAT Toledo (fifth, with 135 points) managed to push Peugeot's new baby, the 106 (112 points) into sixth place. And because it is part of the Volkswagen Group, Audi can afford to be philosophical about its new 100 scoring no more than equal seventh with the BMW 3-Series (54 points apiece). But they will not be best pleased about that result in Munich, BMW's home town.

Honda's Civic, which is available with an exceptionally advanced lean-burn, high-performing, low-pollution engine, made much less impact on the jury than I had expected. It came equal 9th with the perky, but otherwise unremarkable, Mazda 121 mini-sized four-door saloon.

PROPERTY/GARDENING

A truly green investment

John Brennan goes down to the woods

THREE YEARS ago Britain's highly-taxed forestry investors were flushed out of the trees and shot in front of a public armed with the news that their woodland acres had been bought for money, not love.

Protest as they might that their cash created rural jobs, or that they had been following the orders of their accountants, wealthy tree-owners were gunned down by public opinion. Critics of commercial forestry combined to attack leafy tax havens. Fresh ammunition came from the National Audit Office, where cost/reward calculations suggested that the primary tax concessions, those enabling investors to off-set forestry spending against other UK income, had proved a poor investment.

In 1988, the government decided to "provide a simpler and more widely acceptable system of support for private forestry." The Chancellor ended the tax shelter status of trees for new investors. Existing owners were given until Budget Day 1993 before their rights would run out. Otherwise, the 1988 Budget ended half a century of tax incentives. In future, forestry was to be treated as a "tax-neutral" investment.

At that point private sector foresters were warning about the collapse of the UK's barely mature timber industry. British private forest management groups said that the ending of the income tax shelter would stop new money being invested in tree planting. Under the old system neither private forestry investors nor the Forestry Commission had come near to meeting successive governments' annual planting targets.

Those who predicted a crisis in forestry pointed out that the Commission would not be able to make up the shortfall in new plantings on its own. Although a selection of new woodland planting grants offered cash incentives for those planning to start or to restock a forest, the prospects of substantially adding to the nation's tree cover looked slimmer than ever without tax breaks.

The critics have proved to be correct on that point. There have been many variations on the theme of woodland planting and management grants. However, most of these have been aimed at encouraging farmers to set aside surplus agricultural land rather than as part of any coherent strategy for mainstream forestry investment. Britain remains one of the least afforested countries in Europe. Our 9 per cent cover compares with an EC average of 21 per cent.

All this paints a picture of a tax-shocked industry hanging together until the 1993 deadline before finally hanging up its axe. In fact, although the new planting of formerly non-wooded land is now much more of a rarity than in the early and mid 1980s, there is a lively trade in woodlands of all shapes and sizes, and Tillhill Economic Forestry, largest of the commercial forestry management groups, has found considerable overseas interest in UK forests.

The old tax breaks benefited those keen to create a charge against UK income – but the replacement grants are available to all. Equally, Tillhill confirms that a number of the UK taxpayers who used forest planting tax reliefs in the mid-1980s borrowed heavily to finance their investments. Although these owners' financing costs, as well as their estate management costs, remain tax deductible until 1993, Tillhill reports that quite a few young plantations are now on the market.

The company interprets this supply of investment woodland, combined with the current recessionary dip in world timber prices, as providing "excellent opportunities for acquiring very young plantations at remarkably low prices."

Pricing forests is a mixture of high-actuarial science and guesswork. In practice, values are a composite of the underlying land cost and the crop value. The land is likely to be worth only a few hundred pounds an acre, or £500 to £800 or so per hectare (2.47 acres) in these metric times. The timber crop is valued on the basis of the tree type, its maturity, and the owner's view of timber values when the trees are ready for felling. After a decade and a half or so, depending on the tree, the owner may have a timber crop worth £10 a tonne that becomes worth £15 a tonne in a matter of a few extra years, and £30 a tonne before you can shout "Timber!"

There is a shortage of home-grown timber. At the same time, tree growing and harvesting must count as one of the acceptable "green" industries of the next century. On that basis, if there is an overhang of young plantations ready to be sold, the positive interpretation would be that a short-term drop in values lowers the entry cost for new forestry investors.

UK forests and tax

- **Income Tax:** proceeds from the sale of timber are free from income and corporation tax. (On Budget Day 1988 existing woodland owners were given five years before forestry costs cease to be available for off-set against other UK income)
- **Capital Gains Tax:** forest land is subject to indexation provisions which can substantially reduce its potential CGT liability if it were shown to have risen in value at the time of a sale. However, the proceeds of timber sales, the main value of the forest, are free from CGT.
- **Inheritance Tax:** normal rules relating to lifetime gifts apply to forestry. A working plantation is accepted under the Business Property Relief rules when it has been owned for at least two years. That has the effect of halving the value before any calculation of tax liability is made.

Wood and water: forestry in Scotland is popular for its beauty as well as its profit margin

As far as today's woodland sales market is concerned, sellers are most evident. First in line is the Forestry Commission. It has a sales target of 250,000 acres (100,000 hectares) of woodlands in the 1990s. That might be revised in the event of a change of government. Otherwise, it acts as an informal regulator on the market; there will be no shortage of big woods or small in the foreseeable future.

Those keeping a close eye on their 1993 tax deadline will provide the pure investment buyer with the nearest in this industry to the residential property equivalent of a forced sale. But bargain hunters would find forestry a frustrating market. As Colin Gee, of forestry specialists John Clegg & Company, makes clear: "This is not an area where there are real forced sellers. People who invest in woodland do so in addition to their other investments. They have their pension fund and their various investments and they tend to come to woodlands after that."

As for buyers, at the top of the range the biggest of the Welsh hill forests and the higher forests of Scotland tend to be of most interest to "neutral" investors, such as the pension funds and other, non-visiting owners from within and beyond the UK. At current prices they can expect a real return of 5 to 6 per cent.

Scandinavian buyers have been particularly active in the Scottish woodland market. The ending of currency exchange controls in Sweden opened the market to less wealthy individual investors and to private-buyer consortia.

Where Colin Gee and his forestry sales agency colleagues have an edge on their country agency colleagues is that, without having one house as a focus for an estate, the tree salesmen can respond to the market by "lotting" estates into units of a more saleable size. That is how John Clegg can offer the 3,933 acres of "The Over Dalgliesh Forest Estate", Eskdalemuir, in Selkirkshire, complete with early 1970s-planted commercial woodlands, a 100-acre stocked trout loch and deer stalking, for £2.4m, or in six lots ranging down to £50,000.

"The big sales catch the eye," says Colin Gee, "but we have found that there are few individual investors with more than, say, £250,000 to spend. We have had one purchaser this year with £500,000 and a number with more than £250,000, but most sales are comparatively small." John Clegg's average forest sale by value so far this year has been around £80,000, with the medium to larger investment estates counter-balanced by a steady turnover in smaller, "fun" woods.

Most individual purchases are of "off-cuts" from the Forestry Commission's portfolio. The Commission has odd stretches of wood all over the UK, and a steady flow of these emerge for sale each year. Most of the buyers are locals. Occasionally, a town-dweller will buy a "fun" wood for the pleasure of owning one, and to take a picnic there now and again. Yet even a fun wood can pay off financially by having a local woodman keep an eye on the market for fences or whatever, with the aim of taking an occasional, tax-free income from timber sales.

As an indication of costs, on John Clegg's current listings, a near eight-acre wood near Great Abingdon, Cambridgeshire, consisting of maturing mixed sycamore, oak, and ash, is on offer for £10,000, complete with sporting rights. You could pick three lots of oak over hazel woodland, with guide prices from £7,500 for 10 acres to £62,500 for 73 acres, near Bracing on the Isle of Wight. A guide value of mid-£30,000 marks out a 22-acre oak wood, with some beech and holly, near South Moulton in Devon. Again, sporting rights are included.

As those prices show, forestry is not the preserve of the extremely wealthy. Investing in trees has been "sold" as if it were a top-of-the-range product for high net worth individuals for so long that the highly publicised ending of the most obvious tax concessions has, it seems, deterred financial advisers from seeing the woods for the trees.

How to keep hebes happy

*Perseverance is the key to this plant, says **Arthur Hellyer***

HEBES have all the virtues bar reliable hardiness and there are just a few that almost escape even on this touchy matter. This weakness is because almost all the species come from New Zealand; even those from the South Island can be suspect.

However, some are much tougher than others. Several species and some garden varieties can be expected to survive in Britain for a number of years, although a colder-than-average winter would destroy them. I have lost nearly all the hebes that I have ever planted, yet I have derived so much pleasure from growing them that I have always been willing to try again.

All hebes are evergreen shrubs and all have quite small flowers, frequently packed into what are loosely called spikes. Botanists call them racemes because the flowers have individual stalks, which true spikes do not. Many flower for long periods, which is a useful characteristic. It is partly because some are still in flower in late autumn that they are susceptible to cold, because their sap is still flowing.

Most kinds make a great mass of fibrous roots and, as a result, transplant easily and are resistant to drought. Cuttings of firm young stems root readily in late summer in a propagator or a pot of soil covered with a polythene bag. It is prudent to root a few cuttings every year if there is a safe place for them in winter: a frame, conservatory, even a sunny window-ledge.

Among the best species are brachysiphon, salicifolia and hulkeana. I have not included speciosa, which is one of the most handsome, because it is also one of the more tender kinds, but for seaside gardens it is outstanding, with large, glossy leaves and broad spikes of reddish-purple flowers.

Hebe brachysiphon comes nearest of all the wild hebes to being completely hardy. It makes a big, dense, dome-shaped bush covered in small shining green leaves and innumerable short, pure white flower spikes around midsummer. Its one fault is that it is rather big for a small garden.

The same restriction of size applies to Hebe salicifolia which is even taller, as much as 12 ft, and much looser in growth. It has long, narrow leaves and white flowers carried in long, slender trails and continuing well into the autumn. These are all qualities it tends to pass on to its seedlings, which are numerous, and it seems to cross readily with other hebes, including speciosa. One of these hybrids is called Midsummer Beauty, a medium-sized bush with fairly narrow leaves flushed with purple underneath and with broad trails of lavender flowers. Its name tends to conceal the fact that it goes on flowering long after midsummer.

Yet another late-flowering hebe, of uncertain origin, is Autumn Glory. It is a most useful, small, bushy evergreen with deep violet-purple flowers and is suitable for small gardens and for planting in containers. So are the really small kinds, such as the one usually sold as Pagei, which can be less than 1 ft in height.

Arguably, hulkeana is the most beautiful hebe but it is also one of the more tender kinds. It is also very different in appearance; a rather loose, yet erect, plant, 3-4 ft high, even more if grown against a wall. The flowers are carried in generous sprays, quite unlike the neat spikes of many hebes.

Two very satisfactory hebes of bushy habit and medium-size are Great Orme, which has pink flowers, and Margery, which is similar but violet and white, and both are close to hardiness.

The hardiest hebe with variegated leaves is franciscana variegata which makes a rather low, spreading bush with fairly large, shining leaves, deep green blotched with cream. The flowers are violet-blue. There is a green-leaved form named Blue Gem, which received a First Class Certificate from the Royal Horticultural Society in 1869. It is still going strong and is readily available.

COUNTRY PROPERTY

LONDON PROPERTY

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GARDENING

Trees to conquer the world

***Robin Lane Fox** recalls a day in an arboretum with writer Bruce Chatwin*

LIKE 100,000 other visitors, I have just been back to Westonbirt Arboretum. This huge tree-zoo covers 500 acres of Gloucestershire and is the home of rare pines and hollies and 17,000 other specimen trees.

It began as a meadow in 1829 when a member of the Holford family saw its potential. Until the early 1950s, only three male Holfords owned the property, maintaining a continuity of trees which no other family has excelled. Vast legacies assisted their connoisseurship. Like many modern millionaires, the Holfords were prone to transplant trees at huge sizes, showing the bold impatience of people with great means. Once, when a mature transplant began to sag, Mr Holford ordered the men to bring more chains, shouting that he had the money to pay for whatever they wanted.

The family were so amazingly rich that they attracted a rumour with a pleasantly Roman flavour to it; they were said to have struck lucky by finding a load of silver bullion buried on the Isle of Wight during the Napoleonic Wars.

Since 1956, the Forestry Commission has run the place, restored it and replanted whenever possible. There have been some awful gales, but the Arboretum is still one of Britain's wonders: interestingly, it divides into two. The larger part is Silk Wood whose collection of ash, oak, willow and beech keeps company with the EC's Elm Trial.

There, foxes breed in an artificial earth and people are free to exercise preposterous dogs. To the east, the smaller part is patterned with paths in loops and circles, divided by Main Drive Holford Ride. Since March, it has been designated a dog-free area, except for hounds of Beaufort Hunt. Hounds are free to chase those foxes which cannot escape to the sanctuary of Silk Wood and believe that shrubs are satisfactory covert. Westonbirt, it strikes me, is an image of opposing styles: Silkwooders prefer safety, tameness and life on the lead, while Main Drivers prefer risk, competition and a run for their life. The one thing which unites them is a common enemy. In each wood, rabbits are a menace to young trees; badgers privatise the mulch-mats bits of sacking which the Commission puts around young trees' trunks.

I began by saying that I went back, and I had better explain why my sense of return is so strong. The former visit was a true Main Driver's escapade: years ago, I set out for Westonbirt with the author and explorer Bruce Chatwin.

Fame was still far in his future, but his eye and mind were already alive with the most vivid inventions and perceptions. Each of us knew that the other claimed to like rough travel: as the host, Bruce named the weapons and in winter, he chose ponies. The choice befitted such an expert on nomads and the horse-herding tribes on the steppes of Asia: indeed, we had met after corresponding about a reference in one of his articles to the horse of Alexander the Great.

On a cold day, we jolted away down small country lanes where the Cotswolds reach their bleakest extremities. Competitive talking and Main Driving could not conceal the increasing pain of riding in thin blue jeans. The ponies were badly tempered and worse shod; they had saddle-cloth, not saddles and an improvised toe-strap which Bruce tried to excuse as a Scythian proto-stirrup.

In our discomfort, we covered everything, except the right roads: we wondered why social classes so often split into two, whether a nomad's life was related to the rocking movement of nomad's babies on their mother's hips, whether fasting encouraged religious visions, why obsessive Germans collected porcelain, whether there was any more organised agent of persecution in history than the Christian church. Future books, I now see, were there in embryo: Songlines and Utz and even long studies of Christians and pagans. Neither of us confessed our agony, but after four hours it was evident when we reached the arboretum's most remote boundary. We hobbled, not walked.

As for the ponies, we tied them to the fence and entered Westonbirt where the conifers loomed largest and labels were extremely scarce. Great sentinels of feathery blue-green soared to unimagined heights: I dislike most conifers and therefore know little about them, but it was a severe blow to my companion that I could not distinguish the Bhutan and Holford Hybrid pines nor recognise a Californian Nutmeg. Dreading the ride, we were too much the explorers to admit it, we did come out quite quickly, only to find that the ponies had disappeared.

It was bad enough for a *Weekend FT* expert to fail to diagnose a Cephalotaxus on sight; it was even worse for an historian of Alexander to have failed to tether ponies properly when he claimed to understand what life in the cavalry had been like. The fog came down, just to be helpful, and eventually we found the horses, browsing on a gold-spotted conifer. It had berries which looked thoroughly poisonous: we set off home, expecting the horses to die beneath us, but they stumbled onwards and the only casualty was our self-esteem.

For my return visit, I saw sense, abandoned ponies and took an iron horse instead. The Westonbirt brochure makes much of the tree-zoo's level landscape and broad avenues, containing 17 miles of path. They sound like a bicyclist's heaven although the gatepersons request that bikes should be wheeled and not ridden. In late November, visitors are fewer and children certainly do not dismount. Two wheels are more efficient than four hooves: perhaps if they were Beaufort Bicyclers they would be officially welcome in Main Drive.

I have to confess that bicycles give marvellous Main Driving vistas of yellow Japanese larches, Sargent's Sorbus in russet-brown, beeches in copper-orange and the lact of the maples in sugary bread. I should have been wheeling, not riding, but at 20mph you see much more of the park in an hour's exposure and you move past the out-of-season corners without feeling threatened.

It has left me with two clear impressions. One concerns the tree-visiting public. Wood, no doubt, is awfully wholesome, but it seems to bring out people with beards and walking-sticks, hefty men who can cut whistles from wind-blown oak-trees and women in green padding who will sit eating quiche on upturned logs. Admittedly, the Forestry Commission has catered for them. It has designated a visitor centre and a restaurant like Uncle Tom's Cabin which sells food through a hatch and expects you to eat it outdoors at log-tables in November.

My other impression concerns the size of the trees. Like Silkwooders' dogs on leads, they are positively enormous. We all plant a maple or perhaps a Caucasian Pterocarya as a specimen or one of the rare forms of beech. At Westonbirt, they have had years of peace in which to develop. The autumn colours and spring blossom in this great park are famous, but what impresses and frightens me is the sheer size of trees familiar in modern front gardens. In 50 more years without intervention, suburbia will be lost in a gigantic forest. Step forward, all you Silkwooders, and put it safely back on a lead before it runs away with our nice little home.

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BOOKS

Pagan versus the pious

A.C. Grayling on the cultural dilemmas faced by the Victorians

IT IS easy to think of Victorian culture as Gothic. The Houses of Parliament and the Law Courts in the Strand, the theories of Pugin and Ruskin, the pre-Raphaelites' passion for the Middle Ages, all conspire in telling us so. But Richard Jenkyns is concerned to argue that Victorian culture is far more classical, and particularly Hellenic, than the stereotype allows; and that recognising this enhances our understanding of the Victorian mind.

It seems that Jenkyns also has an unstated further aim, which is to rescue the Victorians from hostile critics like

DIGNITY AND DECADENCE: VICTORIAN ART AND THE CLASSICAL INHERITANCE
by Richard Jenkyns
HarperCollins £20, 363 pages

Nikolaus Pevsner, for whom the Victorian century was "diseased" because it "lacked vigour and courage" and therefore standards, taste and artistry. For Pevsner the decay begins in architecture after Soane, and spread to other pursuits, even to theology and philology. Jenkyns, by contrast, although he too finds decay among the Victorians, perceives much of value there also. Aided by a fine eye and a fluent pen he brings it to our attention.

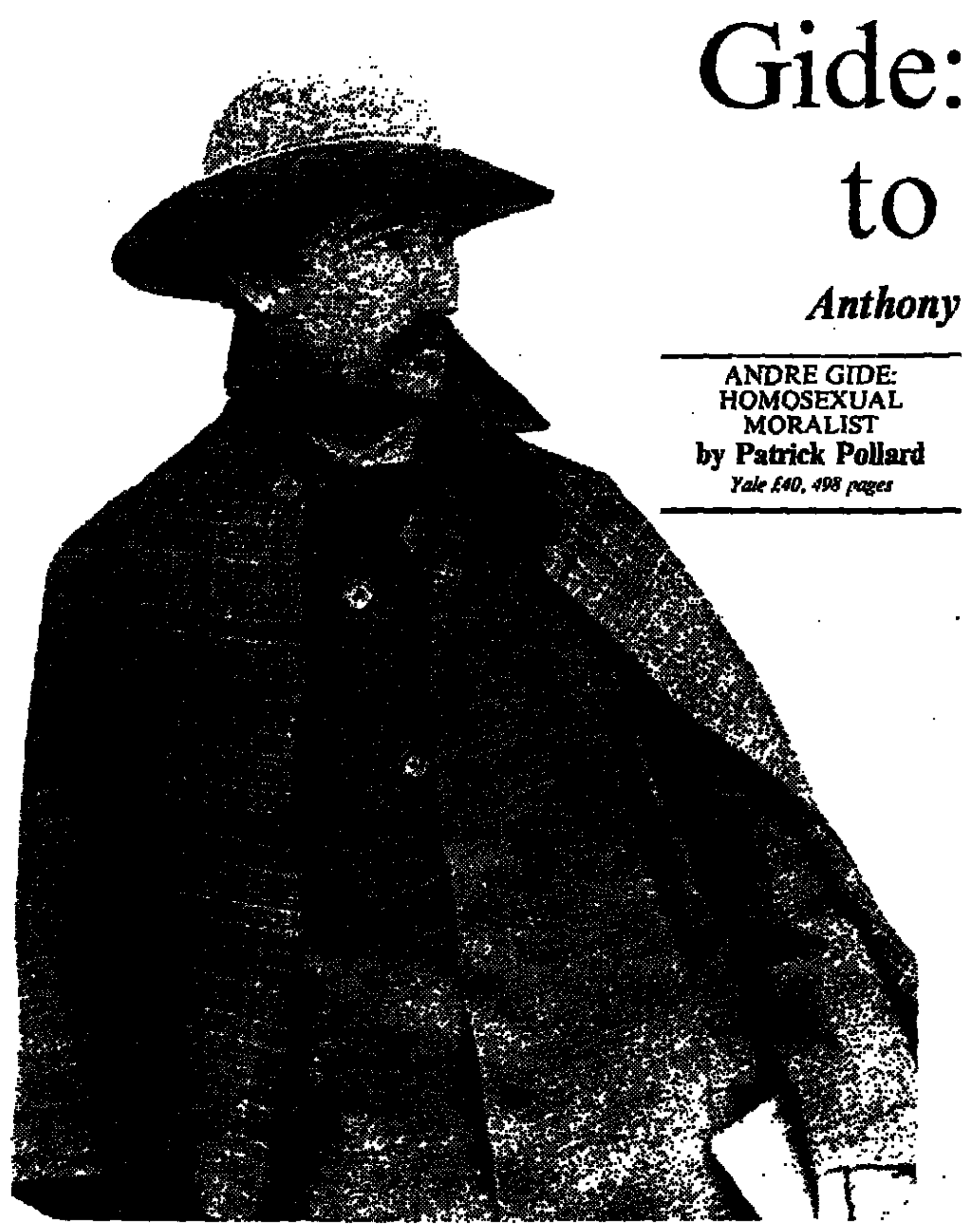
Architecture, sculpture and painting are Jenkyns's themes, and the book is amply illustrated in support. But because he wishes to see beyond the outward expression of these arts to the states of mind they reveal, he explores much besides, including the views of the theorists. The essay on Ruskin fascinates, focusing on the tension between Ruskin's love of Greece and his love of architecture, two passions he could not blend: classical architecture, said Ruskin, is "base, unnatural, unfruitful". His divided attitudes reflect those of his time, which like himself was pulled between the classical and romantic, the ancient and medieval, the pagan and pious.

Victorian architecture proves Jenkyns's point about the sustained classicism of the period, as he patiently shows with the judicious help of illustrations. The same is true of sculpture, especially up to the mid-century, and painting in both the earlier and later reaches of the century. These arts reveal more about the underlying preoccupations of the personal as opposed to corporate Victorian mind than does architecture; the illustrations to the relevant chapters are an informative succession of naked slim girls variously chained in slave-markets, tied to a rock awaiting rescue, displaying their charms in bath or bed, or lying languorously in semi-slumber. In these attitudes there is implicit the over-ripening of the end-of-century, the decadence of Jenkyns's title, sharply depicted in his accounts of Swinburne and Burns-Jones.

Classicism since the Renaissance has never been wholly displaced by rival styles, so in one sense Jenkyns's case is uncontroversial. His particular concern, though, is to show how the discovery of Greek art in the 18th century especially influenced the Victorians, and this he does convincingly, even to the extent of portraying the "faint echoes which the valleys return to Parnassus" in advertisements for Beecham's Pills and Schweitzer's Cocoatina.

Where controversy might arise, however, is over the meaning of the Gothic-classic quarrel for the Victorians themselves. Gothic Revivalists saw their preferred style as indigenous; they looked back to the transcendent achievement of the medieval English cathedrals and sought inspiration there. Gothic architecture of the time is light and soaring, characterised by the pointed arch and the flying buttress, by spacious arcades and slender rising members, by intricate tracery and yearning spires. It encloses space without ponderousness, and fills it with light from a high clerestory and great end-windows.

Much Victorian Gothic is a travesty of this. It is clumsy, affected and gloomy; it takes too much of its tone from tangentials, like Gothic novels and romanticised medievalism. Still, for much of the Victorian century there was a intellectual mood in favour of recovering native values, prompted by Britain's status as a world power exporting a view of itself along with its manufactures. This attitude merits exploration. Jenkyns's sympathies lie with the Hellenic, and one is inclined to agree: but he therefore leaves the Gothic case understated.



The young André Gide

Gide: the courage to come out

Anthony Curtis on a genius obsessed

ANDRE GIDE: HOMOSEXUAL MORALIST
by Patrick Pollard
Yale £40, 498 pages

IT WAS to the young Gide that Oscar Wilde is supposed to have said he had put his talent into his work but his genius into his life. Whether or not that is true, it is a fact that the two writers did have several meetings. Richard Ellmann considered their relationship to be so important that he wrote a separate essay about it, "Corydon and Ménalque", printed in *Golden Codgers*. Their first encounter was in Paris 1891, well before Wilde's downfall, when he was 37 and Gide 22. Gide was enormously impressed by Wilde's conversation at the dinner-table. He compared it, in a letter to Valéry, with Baudelaire's.

Then they met unexpectedly in Florence in 1894 when Wilde was with Bosie (Lord Alfred Douglas), and again the next year – that terrible one for Wilde – in Algeria. Let Ellmann tell us what happened on January 30 when Bosie was not present.

"Wilde took Gide to a café, where Gide was captivated by a young Arab boy playing the flute. Outside Wilde asked him, 'Dear, *voulez-vous le petit musicien?*' and Gide, in 'the most choked of voices', said yes. Wilde burst into laughter and made the arrangements. Gide had previously only had one homosexual experience, but now he felt he had discovered what was normal for him. The next morning Wilde left for England, and as it turned out, for obloquy and prison."

Four years later, after a difficult courtship, Gide married his cousin Madeleine. Madeleine had the same maiden name – Rondeaux – as Gide's mother Juliette. Mme Gide, who had opposed the marriage, had died four months earlier. It would be too facile to say that Gide married his mother, but he certainly had married the Protestant ethic she so rigidly upheld.

He spent the rest of his life alternating between rebellion against, and obedience to, its precepts. Gide's marriage, never consummated, was to be one of the strangest and saddest marriages in literary history. His *penchant* for young boys surfaced on his honeymoon in Italy, as he described in his novel *L'Immoraliste* which began to appear in the *Mercure de France* in 1902.

Gide's early career as an author was combined with a job on the editorial staff of that journal. He did not forget his mentor. Sympathetic discussions of Wilde's writings appeared there. Then Gide left to become the moving spirit behind the *Nouvelle Revue Française* and to open a new chapter of French literature.

At the same time he began to write a dialogue about homosexual love. The argument was unfolded in a discussion between an exponent and an interlocutor, like Gilbert and Ernest, in Wilde's pseudo-Socratic *The Critic As Artist*. The two men discuss the matter under all its aspects, biological, cultural, historical, artistic. These dialogues eventually appeared as *Corydon*, and it is an exposition of that short work that forms the centrepiece of this thoughtful, learned and wide-ranging book, *André Gide: Homosexual Moralist* by Patrick Pollard, lecturer in French at Birkbeck College.

The first edition of Gide's colloquy on homosexuality in 1911 consisted of 12 copies that were not put on sale to the general public. It was only in 1920 that the book saw the light of day, and only in 1950 that an English translation became available in the UK and the US. By then Gide had been awarded an Honorary Doctorate at Oxford and the Nobel Prize for Literature. He made a particular point of repeating in the preface to the English-language edition what he had said immediately after he had received the Prize the year before. "When ... asked ... which of my books I considered to be the most important, it was without a moment's hesitation that I named *Corydon*."

Over the years, Gide added to *Corydon*. The 1920 version begins: "In 189- a scandalous trial ..." This is a clear reference to Wilde whose role, says Pollard, "was to clarify in Gide's mind the symbols of Wanderer and Immoralist". But the 1950 English version begins "In the year 190- a sensational trial once again brought into the limelight the vexed question of homosexuality (uranism)".

By moving the trial date forward a decade, Gide has distanced the argument from Wilde's trial to take in several other prominent men convicted of this offence at the turn of the century. Pollard deals fully with these cases as well as with the vast literature surrounding them. He also studies Gide's reading of mainstream literature in this gay light – from the ancient Greeks, the Bible, the great Persian poets like Hafiz, Shakespeare, Goethe, the 18th century novelists and *Philosophes*, Lautréamont, down to contemporaries like Marguerite Yourcenar. Cocteau, whose work Gide loathed – "How he plays to the gallery!", he once exclaimed – is dismissed in a couple of paragraphs.

In addition we are given an explication of Gide's own works from the early *Notebooks of André Walter* and *Urien's Voyage* to the late *Theseus* with particular attention paid to major novels like *Les Faux-Monnayeurs (The Counterfeiters)* and *Les Caves du Vatican*.

Indeed no stone is too small for Pollard to leave unturned. Such conscientious scholarship makes for an exhausting, as well as an exhaustive, experience for the reader. Nonetheless, by the end Pollard leaves us in no doubt that a homosexual obsession was the integrating factor in the diversified body of Gide's work. Gide was, after all, the first modern European writer of stature to come out as being homosexual and it took great courage. Unlike Wilde, Gide was determined to put his genius into his work *and* his life. He did not believe there was any distinction between them.

Our annual Literary Competition

As is the tradition of the Books Page, here are two separate literary competitions to challenge you in the weeks leading up to Christmas. You may enter for either or both, and you may have as many tries as you like.

1) BOX NUMBERS.

Think of the kind of small ad. to be found in the "Personal Columns" of cultural magazines like *The New York Review of Books* and the *London Review of Books*. We should like to receive some examples of advertisements that *might* be inserted by some of the famous writers of the past (or of today — but watch out for libel).

For example: *Emily Brontë* — *"Yorkshire-bred spinster in her middle 20s, fond of walking, riding and the outdoor life generally, and fatigued by too great proximity to her clergyman father, good-for-nothing brother and dutiful sisters, seeks dynamic male companion."*

Charles Dickens — ". Busy professional writer and communicator, estranged from wife, *would like to meet* young woman with theatrical ambitions with the view to developing shared interests."

2) HAIKUS

As the F.T.'s final contribution to the Japan Festival, let's have some *haikus* about life today. This *verse-form consists of* one line of five syllables, then one of seven, and then one of five. Here is an example from *How To Be Well-versed In Poetry (edited by* E.O.Parrott, Penguin, £5.99) by the great Stanley J. Sharpless.

"Don't touch that fruit,
Eve!
Oh my God — she's
disobeyed!
Cosmic disaster."

The closing date for both competitions is close of play *Tuesday December 19*. Entries should be addressed to:

**The Literary Editor,
The Financial Times,
No 1 Southwark Bridge,
London SE1 9HL.**

You may also fax entries to: **071-873 3197.**

Results, winning entries *and a full report* will be published in the *Weekend FT* on December 28, 1991. The first prize for each competition will be £100 and there will be several lesser prizes.

Mistress of manipulation

Michael Glover reads Simone de Beauvoir's letters

LETTERS TO SARTRE
by Simone de Beauvoir, translated and edited by Quintin Hoare
Hutchinson Radius £20, 531 pages

"THIS CONJUGAL life I lead here is especially absurd because it implies eternity: the days are agreeable in the perspective of an indefinite repetition – which is, however, simultaneously rejected by circumstances and by my own heart ..." This curiously tortured confession appears in a letter written to Jean-Paul Sartre from America in 1950 in which Simone de Beauvoir painstakingly analyses her affair with the Chicago novelist Nelson Algren. Things were going badly between them (de Beauvoir and Algren, that is), and her statement is tantamount to a final dismissal.

What is especially interesting is the language in which the letter is couched – a mixture of personal confidence and abstract terminology that might have been more at home in a work of analytical philosophy: something written by Sartre himself, for example.

This is, however, the hallmark of their epistolary relationship in these letters, a curious mixture of passion and dispassion; an ability to stand both *inside* and *outside* the self; a bewildering tenderness towards the beloved companion whom she is cuckolding; and a cold, almost heartless ability to dissect her own innermost impulses as if she were both patient and surgeon *simultaneously*.

By 1950, Sartre and de Beauvoir had been enjoying their "morganatic" marriage for 20 years, a *companionship* interrupted only by holiday, war and their own literary celebrity which, as the years passed, obliged them to respond to countless invitations to speak, teach and commentate throughout the world.

The first third of the book (from 1930 until the outbreak of war) is by far the least interesting; it consists of interminable accounts of de Beauvoir's walking holidays in France.By 1939, the pace has quickened. Sartre is now serving with the French army in Alsace; de Beauvoir, alone in Paris, is experiencing the atmosphere peculiar to the Phoney War – *a mixture of dread and torpor*: everything is about to happen; but nothing is in fact happening. Her state of mind, conveyed in long, daily letters, is a curious numbness: "I am a consciousness withdrawn from happiness and unhappiness." *She experiences the sense of* Sartre's absence as violently as he later described it in that famous passage from *L'Etre et le Néant* where he walks into a cafe and is confronted by the overwhelming sense of the absence of an anticipated friend.

When war breaks out, the letters come alive with telling details of wartime Paris: that sudden shock of meeting *policemen on bicycle patrol* as she threads her way home through streets dark as tunnels; the suspicious old women who are escaping by *train*, *encumbered* by the family silver; the windows of familiar cafes painted blue; the passers by with their gas *masks* slung over their shoulders.

These wartime-years were ones of furious literary activity *for Sartre himself*: *La Nausée* (1938), *Le Mur* (1939), *L'Etre et le Néant*(1943), together with work on *Les Chemins de la Liberté*, the first volume of which, *L'Age de Raison*, was to be published in 1945. Yet de Beauvoir's letters are, for the most part, strangely lacking in discussion of literary or philosophical matters, we are more likely to discover where and what she ate – and whom she was manipulating – than how her conscience was wrestling with the moral problems of the German occupation. Her reading seems to have consisted of detective stories; she was enjoying *Disney films, Greta Garbo*, Jimmy Cagney.

The most reprehensible aspect of their relationship, and one which is revealed so starkly in these letters, is how they were able to use their intellectual and emotional hold over people to manipulate them sexually, psychologically and socially. De Beauvoir calls her passionate acquaintances (they were more likely to be *women than men*) "charming vermin". Upon one of her lovers she remarks: "I can't find any faults with her, merely limits." Of course, existentialism could be used as a means of justifying almost anything – as de Beauvoir herself had been quick to point out to a third: "Morality was above all an existential stance".

Sartre and de Beauvoir could – *and did* – *choose freedom.* But what of those whom they condemned to its opposite?

Simone de Beauvoir: from 'Passage', a new retrospective collection of Irving Penn's photographs (Jonathan Cape £50)

Thunderstone ice cream country

PRAIRYERTH
by William Least Heat-Moon
Andre Deutsch £17.99, 624 pages

NO PLACE better symbolises the Middle American myths of abundance, egalitarianism and opportunity than Kansas. It is the nation's heartland, its breadbasket, the home Dorothy pines for during her journey to Oz. So it is not surprising that William Least Heat-Moon chooses to situate his second voyage into the American soul there, his first, the bestselling *Blue Highways*, having been a circumnavigation of the country's less travelled roads.

Now, with *PrairyErth*, Heat-Moon attempts to provide a "deep map" of a quintessentially American locale – Chase County, Kansas, populated by 3,013 citizens spread out over 800 square miles of undulating prairie, the sort of place most people drive through or fly over with both eyes on the horizon. To call Chase desolate is an understatement – only two sites in the county meet the minimum criteria for township. And yet, after seven years of research, Heat-Moon has made this remote county as dense with history and humanity as a central London square, providing in the process a valuable if slightly flawed electrocardiogram of America's vanishing heartland.

Heat-Moon proves a patient traveller, dividing the county up into a dozen quadrants and then precisely inspecting each, turning up whatever history the PrairyErth (a 19th-century term for grasslands soil) has to offer. Luckily for the reader, there is more than just arrowheads to be found. Historically, Chase County comes as close as anywhere to encapsulating the experience of the westward-travelling settler. Tails of remarkable hardship and courage emerge, some shot through with grim humour, such as when three hungry Kaw warriors showed up at a frontier woman's home and demanded she feed them from her simmering kettle. In vain she tried to tell them that it was soap, not soup, she was cooking, but the Indians wouldn't be put off. So she fed them, each in turn taking a single spoonful, nodding sour thanks and wandering off, vowing no doubt never to eat white cooking again.

We also learn that the county's eccentric founder was a key link in the Underground Railway for runaway slaves; that America's most famous football coach, Knute Rockne, died in a mysterious plane crash in the county's wide skies; and that a popular frontier dish was thunderstone ice cream, made from the large hailstones characteristic of Kansan storms. Through these shards of history a picture emerges of a people not unlike the bluestem grass of the prairie – similar at first appearance yet individual on closer inspection, easy to bend but impossible to break.

PrairyErth is not just about the past, however. Heat-Moon encounters its present inhabitants as frequently as its ghosts, although they pale somewhat in comparison with their ancestors. Outbreaks of racism and reactionary closed-mindedness tend to confirm one's suspicions about rural life, especially in their opposition to a proposal for a reserve to maintain a swatch of the rapidly vanishing prairie grass. Just as often, however, the reader encounters unique and perceptive souls, such as the remarkable Jane Koger, a feminist who runs an all-woman ranch where calves are castrated with surprising tenderness, or the hitchhiker who responds to the great flatness of the plains by saying "I guess no one here has dreams of falling".

Unfortunately, the book proves less successful during Heat-Moon's recurrent self-examinations and attempts at stylistic innovation. Too often, the author interrupts his narrative to question himself and his enterprise, to wonder about his place on the planet and our species' future. More than once I found myself wishing he would console himself with a bowl of thunderstone ice cream and get back to his task as "inspector of the ordinary."

Stephen Amidon

Horror

When the devil comes to town ...

HOW TO kill a werewolf? How to stop a vampire in its loathsome tracks? Most people nowadays are so well-versed in the iconography of horror that occult practices would cause them less trouble than income tax. The Gothic, complete with grimoires, charnel houses and chains is a form that seems inextricably linked to the apocalyptic tendencies of the millennium.

It first appeared in the late 18th-century when Horace Walpole, Charles Maturin and Matthew Lewis re-packaged the German *schauer-roman* for the English market. The Symbolists and Decadents of the 19th century *fin de siècle* gloried in phthisic vampires, incubi and succubi while Henry James, Rudyard Kipling and Arthur Machen established the more prosaic English ghost story. The final decades of our own century have seen a positive explosion of the neo-Gothic, from the high-style fantasies of Angela Carter and Patrick McGrath to the tract-house terror of Stephen King.

As the world's best selling author Stephen King is equally irresistible to the textually phobic teenager and the questing academic. King's particular genius was to combine the conventional trappings of the Gothic – vampires, demons and ghouls – with the shopping mall culture of middle America. The Gothic has always allowed the untamed monsters of the Id to roam free in fictional form. In King's work these benighted creations rage through the motel hell of American suburbia giving expression to all the terrors and repressions of the American middle classes.

King's first successful book, *Carrie* (1974), was a study of the pubertal torments of high school life. His best novel is undoubtably *The Shining* (1977) an unforgettable account of alcoholism and insanity which, apart from the crowd pleasing happy ending, remains a true classic of contemporary Gothic.

In a consumer culture any iconic artist runs the risk of increasing self consciousness and self parody and King has proved more vulnerable than most. Unable to accept his limitations as a great genre realist, he has been infected by post-modern theory and his later books have become absurdly self referential: *Misery* (1987), for example, explores the tortured relationship between a popular writer and his fans and *The Dark Hall* (1989) imagines a pseudonym (such as King once had) coming to life and haunting the original author.

His new novel Needful Things (Hodder & Stoughton £15.99 693 pages) is set, as is much of his earlier work, in the imaginary Maine town of Castle Rock. The devil comes to town as the proprietor of an antique shop and proceeds to sell whatever one most desires – nights with Elvis Presley, rare baseball cards – in exchange for small, apparently inconsequential acts of evil. Much of this is just fodder for the fans, a novella bloated to vast size by lengthy, pointless characterisation and homespun homilies about greed.

Predictably, King now seeks to destroy Castle Rock and can only do so by summoning the denizens of his previous novels, thus plunging the critic into a nightmare of Gothic intertexuality.

England has some excellent horror writers, one of the best being Graham Masterton. Masterton's greatest strength lies in his urge to anchor fantasy in some scrap of anthropological or mythic lore – Aztec, Druidic, alchemical. Far from being comic this gives the books a solidity often lacking in a genre which tends towards authorial perversity and self indulgence. The gothic mode is frequently adolescent and narcissistic in its focus and Masterton is unusual in contributing sexually mature characters.

His new novel, The Hymn (Macdonald £12.95, 345 pages), is Masterton at his most entertaining and controlled. It concerns a lost score by Richard Wagner and a runic Norse fire burial chant. Casting the runes and self-immolation will confer immortality upon an acolyte. Masterton is, like Stephen King, a serious novelist manqué, a creative realist who chooses to work in fantasy rather than struggle in mainstream fiction. Unlike King however, he has no delusions of grandeur about what he is doing.

With Jago (Simon & Schuster £14.99, 536 pages), Kim Newman shows himself to be one of the more promising of the younger British horror writers. This is another story based on a wisp of history. The Agapemone Community was a free thinking religious cult founded in Somerset in 1846. Newman updates this into a modern cult centred around the charismatic personality of the Rev Anthony Jago, a powerful psychic with the ability to induce mass hallucination. Newman is thus able to investigate the fascinating subject of cult leadership and its sexual undertones and also, as the action is set at a yearly rock festival held in the cult's grounds, to indulge his passion for popular culture. As the rural apocalypse comes down and alien vegetables and Martian war machines appear, the novel tends increasingly towards the uneven and chaotic; magical realism needs a very strong controlling imagination. However, in general *Jago* is of a much higher standard than most book length dark fantasy.

For newcomers to the field Ramsay Campbell and Stephen Jones' yearly anthology Best New Horror 2 (Robinson £7.99, 433 pages) is a reliable introduction and contains a guide to the year's publications. Ramsay Campbell is himself the most sophisticated and highly regarded of British horror writers. His new novel The Count of Eleven (Macdonald £13.95, 374 pages) is a tense and *disturbing account of obsessive* compulsive disorder, proving yet again that the genre contains much non-fantastical writing that is directly relevant to contemporary life.

Elizabeth Young

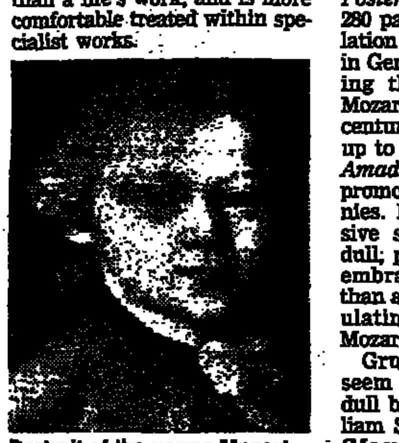
ARTS

Mozart: in at the death

Andrew Clements finds books to mark the bicentenary next week

BOOK PUBLISHERS have treated the Mozart bicentenary with their natural caution. The record industry may have received the anniversary as a providential gift, allowing it to flood the market with new releases and recycled cycles in a way that hardly recognises the word "recession", but there are not many British book houses that look to their serious music lists as a huge source of revenue.

When one sifts out the dross – So and So's inevitable Life of Mozart, where So and So introduces music programmes on TV or radio – the significant additions to the Mozart literature in English this year have been relatively few. The fruits of the countless Mozart conferences and seminars held during the year are going to take a couple of years to reach a wider readership, and an interesting characteristic of the current Mozart bibliography is the absence of an authoritative and all-embracing critical study, as if the subject seems too vast and awe-inspiring to be anything less than a life's work, and is more comfortable treated within specialist works.



Portrait of the young Mozart

That is not to underestimate what has appeared in 1991, even if some of the offerings have only marginal usefulness. H.C. Robbins Landon's *Mozart and Vienna* (Thames and Hudson £16.95, 208 pages), for instance, seems to me very thin Bicentenary fare, in scope and originality not a patch on Landon's earlier study of the composer in the 1780s and his chronicle of the last year. Neil Zaslaw and William Cowdery's *The Compleat Mozart* (W W Norton £19.95, 368 pages) is a curious offering too, a collection of disparate programme notes on every single one of Mozart's works, arranged in order of their Köchel number. There is, too, *Mozart and the Wolf Gang* by Anthony Burgess (Hutchinson £12.99, 148 pages), described by its publisher as "a serious attempt to reconcile the major loves of Burgess's creative life, music and literature", and by me as footling, vulgar and impossibly self-indulgent.

On a far more exalted level Cambridge University Press has added two of the remaining mature works into the fold of its Opera Handbooks, with volumes on *The Magic Flute* (£30/£9.95, 263 pages) and *La Clemenza di Tito* (£27.50/£9.95) – with *Idomeneo* to come next year – offering the best possible fusion of accessibility and scholarship. Complementing rather than replacing those fundamental monographs, Daniel Heartz's *Mozart's Operas*, edited and supplemented by Thomas Bauman (University of California Press £25, 300 pages) is one of the most important issues of the year, a handsomely produced and illustrated collection of essays by one of the most distinguished of current Mozart scholars. It is a mixture of old and new – famous essays, such as Heartz's exposition of *Idomeneo* are reprinted or revised alongside newly written chapters on *Entführung*, Mozart's librettists, *Don Giovanni* (including a fascinating iconography of the dances used in the first-act finale) and *Cosi*, while Bauman contributes a study of the instrumental music of *The Magic Flute*. The mix is wonderfully stimulating. Heartz balances erudition with literary elegance and a finely graded perceptive wit: "Maybe they are beyond schooling", he suggests of Fiordiligi and Dorabella at the end of *Cosi*, "but the men are not".

Gernot Gruber's *Mozart and Posterity* (Quartet Books £25, 280 pages) is an English translation of a study that appeared in German six years ago, tracking the development of the Mozart legend across the two centuries since his death, right up to the commercialisation of *Amadeus* and the heavy-duty promotion of the record companies. It is a solid, comprehensive survey and just a little dull; preferring to offer an all-embracing chronicle rather than a more selective and stimulating commentary on the Mozart phenomenon.

Gruber's book is made to seem more than necessarily dull by the appearance of William Stafford's *Mozart's Death* (Macmillan Press £25, 272 pages) which offers a brilliant analysis of the events surrounding the composer's final days, and shows how the legends that we implanted then, grew and burgeoned until they informed every aspect of our image of Mozart, the divinely gifted musical genius. Stafford targets and explodes each of legends – around the character of the man himself, his immaturity, profligacy and womanising, the supposedly mysterious context of his death, and the nature of the final illness.

Having stripped away all the romanticised baggage Stafford offers alternative conclusions. In the one Mozart becomes part of his own myth-making: the narrative which surrounded him even during his lifetime irretrievably shaped his own behaviour and view of himself, so that the fragmentary evidence that we know have will always prevent an accurate biographical picture. In the other, in Stafford's words, "the portrait can be cleaned, with a vigorous application of historical method" and through the letters in particular a character emerges, of "a complex man, sometimes a snob, sometimes a social rebel"; someone who, above all, "was not having thoughts of death in 1791". If there is one Mozart book to buy in the Bicentenary year it is this.

Thomas Edur as the Prince with the Snow Queen, Agnes Oaks

A 'Nutcracker' saved by the Prince

Clement Crisp reviews the ENB's new production

ENGLISH National Ballet has a new *Nutcracker* (and not before time, say those of us who suffered through the company's last production, an unlamented farrago about Tchaikovsky's family). The new staging, given its first performance at the Palace Theatre, Manchester on Thursday night, is by Ben Stevenson, and is respectful enough of the old ballet's traditional style not to make *Nutcracker*-addicts wince. Of course, no one ever went to see *The Nutcracker* in search of any messages about art or life. It is an entertainment whose miraculous score has sugared many a choreographic pill, but an entertainment in which we may discern happy dreams about childhood and childhood's fantasies. And it has that rare quality of theatrical charm which will keep any audience happy.

It is the task of producer and designer to preserve that charm. Clever ideas – as ENB's faithful know to their cost – are like hand-grenades decorating a Christmas tree. Let domestic pleasures reign in the first act; let mice and toy soldiers battle and snowflakes drift, and let the Kingdom of Sweets be not too diabetically dangerous, and all will be well.

Desmond Heeley's new designs are felicitous. No Biedermeier interior could be more *gemütlich* than the first act setting with its garlands and cosiness; the snow forest is icily enchanting; the Confituremburg a baroque altar done by a pastry-cook. Costumes are of a prettiness that stops – just – short of kitsch, with the Snowflakes' skirts as powderily light as fresh snow.

Yet *Nutcracker*'s spell only truly works if we can believe in the domesticities of the family party and feel ourselves like late guests surveying the fun before we, too, join in. Here Ben Stevenson cheats us. The party is a brawl, the guests caricatures rather than characters, either foolish dodderers or parental cyphers. The children rampage abominably. Stevenson has given the little beasts their heads and what should have been high-spirited becomes abrasively naughty, and matters are in no way helped by having Fritz and Clara played by mature dancers with infinite roguishness. Various other lapses of taste – grotesque capers with an ear-trumpet; a dead rat; an old man collapsing twice under women – help give the scene a vulgar and improbable air. With one tenth of these crass incidents the party would be ten times more delightful.

With this out of the way – and Tchaikovsky's pictorial genius wasted – matters improve. The mouse-battle is decent, if not inspired; the snowflakes sequence is all frosted delight; and the Kingdom of Sweets happily makes no bids for novelty. I think the Danse Arabe – a pasha preferring coffee to the charms of a heavily-pearled odalisque – a wicked waste of the music; the other divertissements will please a young audience, though adults may react against the hordes of oh-so-cute kiddies grinning like tipsy hyenas. The grand pas de deux should be the Ivanov text but, alas, isn't, though it provides the proper classical high-point of the evening, and the Flower waltz is gracefully patterned and dressed.

Performances at this premiere were not always engaging. The first scene needs considerable revision, and possibly heavy sedation. The later set pieces were, though, well done – Jose Manuel Carreno irresistibly glamorous in a high-flying Gopak – and the unquestioned joy of the evening was Thomas Edur as a noble Nutcracker Prince. In the snow-scene, with Agnes Oaks as a delicate Snow Queen, he was very fine – simple gestures as potent and distinguished as his dancing. In the grand pas de deux, though not ideally matched with Renata Calderini's Sugar Plum, his dancing had that true classic grace which lies at the heart of the music and of *The Nutcracker* itself. He seemed its spirit – and, for this staging, its conscience.

The production has been sponsored by Norwich Union.

Music

Noisy Prokofiev

SINCE the Barbican's centenary festival of Prokofiev is steaming triumphantly towards its terminus, this seems a fair moment to blow a whistle. The programming and the soloists have been first-rate. The conductor throughout has been the cellist Rostropovich, who can boast long and deep acquaintance with the composer and his music. Now, as a cellist Rostropovich is worth his weight in gold; the expansive personality carries over into his conducting, but nothing like the technique, and in the weighing-up there has been an excess of buoyant flab.

Last Thursday his account of the Sixth Symphony was loudly heartfelt, but too limply strung to do it symphonic justice. This Thursday he conducted the two makeshift symphonies, nos. 3 and 4 – one drawn fairly directly from an opera Prokofiev despaired of getting staged, *The Fiery Angel*, and the other a lazy reworking of material from his *Prodigal Son* ballet. No. 4 lacks all conviction and Rostropovich did no worse than to make that all too clear.

No. 3, however, is a weirdly potent and hallucinatory score, whether it counts as a "symphony" or just a dressed-up operatic suite. I love it. For long stretches here, it was merely loud (*very* loud) and thick – especially in the outer movements, so ill-balanced and under-pointed that vital punctuation and even some of the main thematic stuff sank amid the general hubbub.

Rostropovich seemed to be conducting only the strings, urging them on with grand gestures: pleading for more Russian passion, as I read him, but since British string-sections do not have that on tap they just played louder. The winds, left to fend for themselves, delivered efficient solos but otherwise sounded unfocussed and under-rehearsed. This obsessive, visionary music needs far more professional finesse, which may be confidently expected from Edward Downes in April when the Royal Opera at last mounts *The Fiery Angel*.

The saviour of the evening was Martha Argerich in the 3rd Piano Concerto, brilliantly speedy and lithe. mean Rostropovich followed her as closely as he would a fellow chamber-player; and yet even here the scamped orchestral details were legion – disheartening enough to account for the fact that Argerich shot none of her usual insights into the *music*, as distinct from the pianistic challenges. Wistfully, one remembered Dmitri Alexeev's searching imagination in this work a few years back. And not by accident: for on Wednesday he and the violinist Dmitry Sitkovetsky had given a superb concert in the festival-series.

In Prokofiev's F minor Sonata, their judicious colorations and their strongly contained drama made a profound effect. With the solo piano *Visions fugitives*, in which Nikolai Demidenko's super-polished sculptings and shadings have been much admired lately, Alexeev reminded us – magisterially – that they also sing, and dance, and that every one has a unique expressive sense. It was nice to be reminded.

David Murray

Mahlerian journey

THE conducting career of young Mark Wigglesworth moves forward at speed. He is now Music Director of Opera Factory, and Associate Conductor of the BBC Symphony. With this orchestra a series of South Bank concerts is under way, launched by Thursday's Festival Hall performance of the Mahler Tenth Symphony (in the magnificent Deryck Cooke completion and performing version).

Mr Wigglesworth is without question the brightest conducting star on the British horizon; his work deserves judgment by the highest standards. This Mahler 10 was in many respects a shambles. One hopes the experience will send him hurtling back to the score (which he forsook for this performance), to ponder the work and its requirements long and hard before he tackles it again.

This extraordinary symphony – powerful, fraught, psychologically complex – begins and ends in F sharp major radiance, and in between plummets to the depths of Mahlerian despair. As realised by Cooke and his associates, a seemingly authentic Mahlerian journey is mapped out through a world of "orchestral chamber music" whose perilous combinations of solo and corporate voices and phrases are left nakedly exposed, sometimes in jagged rhythmic patterns.

For the most part Wigglesworth and the BBCSO seemed quite unable to make sense of the score; plainly, their partnership is not yet secure, and it was a brave but rash idea to put it to so harsh a test. The playing was wretched – the first violins, whose overall condition continues to arouse the deepest concern, sounded in need of weeks of rehearsal, and high brass notes cracked and splayed regularly. The ebb and flow of the opening movements was placed at perpetual risk by ensemble mostly so wayward that one soon gave up hope of its achievement.

The final welling-up of tenderness was moving, as it always is – this part of the performance gave a semblance of cogent pacing – and the concluding release into quietness was gracefully done. The rest, though, was very far from satisfactory.

Max Loppert

Spoken word

A Dickens of a Christmas

CHRISTMAS and Charles Dickens seem to go together, and this year there is a big, beautiful blockbuster for winter listening, a new recording of Dickens's own "favourite child", *David Copperfield*, excellently read by Martin Jarvis for Cover to Cover Cassettes Ltd of Marlborough (CTC 060; 26 cassettes; 34 hours 30 minutes; unabridged). Here they are, Miss Betsy Trotwood and Mr Dick, Mr Micawber, Uriah Heep, loathsome Mr Murdstone, Peggotty and Barkis, Daniel and Ham, Steerforth and Little Emily and Rosa Dartle and David himself, all splendidly affirmed but not exaggerated, in this marathon reading.

Thomas Hardy in *Tess of the D'Urbervilles* chose a narrower canvas, but raised to monumentality the theme of the seduction of a country girl by a cynical, rich young man. Stephen Thorne reads with sensitivity and passion (Cover to Cover CTC 054; 12 cassettes; 15 hours 30 minutes; unabridged>.

One of the finest novels of our own century, L.P.Hartley's *The Go-Between*, has now been recorded unabridged by Chivers Audio Books of Bath (CAB 566; 8 cassettes; 9 hours 40 minutes): a elderly man unwillingly remembers the scorching summer of 1900: himself a bemused 12-year-old at a rich friend's house, grown-up passions not then guessed at and a disaster which has cast long shadows. Edward Petherbridge's glorious reading is one of the best I've heard this year.

Isis Audio Books are bringing out six-cassette boxed sets of some of their most popular issues (lists from 55 St Thomas Street, Oxford), to be available at bookshops including W H Smith as well as at record shops: full-length and unabridged, but at a bargain price. *The Body in the Library* (TE 856; 5 hours 25 minutes) is a classic Agatha Christie with Miss Marple's "knowledge of human nature" helping to solve the mystery of why the body of a rather "common-looking" blonde is found on Col Bantry's library floor. The Queen of Crime was inclined to be wordy, but one can never have too much of Gwen Watford's delectable voice. John Mortimer's *Rumpole for the Defence* (TE 858; 5 hours 50 minutes) is read with great gusto by Patrick Tull in the tradition of Leo McKern – seven first-rate stories about the nation's favourite Old Bailey hack.

1992 will see the centenary of the birth of Tolkien, and the BBC have brought out a special centenary limited and numbered edition of the BBC Radio dramatisation of *The Hobbit* (NBC 1038; 4 single cassettes; 4 hours), handsomely boxed and including a personal memoir by John Powell, who remembers Tolkien from his own undergraduate days. Powell directed this much-admired broadcast serialisation in 1968 with Paul Daneman as Bilbo Baggins, and music composed by David Cain and played by The Early Music Consort directed by David Munrow.

Memoirs of a Highland Lady – 1797-1827 by Elizabeth Grant of Rothiemurchas, read by Morag Hood for Schiltron Audio Books of Lanark (SPN 334-1; 6 cassettes; 8 hours 20 minutes; edited), is a recording quite out of the ordinary, an immensely charming, candid account of the author's childhood and youth as the eldest daughter of a restless and increasingly insolvent Highland laird. There were houses in Edinburgh, Twyford and London, but Rothiemurchas on Speyside was the children's favourite, where members of the clan visited to gossip and pay their respects. Among them was the Marquis of Huntly "in his old shabby shooting dress and one of his queer hats", with his young Marchioness who had come in a "beautiful baby phaeton" drawn by four goats harnessed with red ribbons. Alas, Elizabeth's father, the laird, was eventually obliged to escape to India and a regular salary as a judge, sweetened by a knighthood, and that is where this first volume leaves them.

Among the new Random Century Audiobooks (2-cassette abridged sets) there is another autobiographical memoir, *Me* by Katharine Hepburn (RC 32; 3 hours) read from her recent book by Miss Hepburn herself. She is a big fish for this new series of abridged books to have landed, which is going from strength to strength. Martin Amis's new novel, *Time's Arrow* (RC 45; 3 hours), as everyone knows, is based on the device that for the man inside Tod's body time works backwards. But in the inner man's future - Tod's past - there awaits some terrible secret. We appreciate the tension and the horror Amis's device can generate in us. Well read by Richard E Grant.

Julian Barnes's new novel-for-three-voices (RC 9; 3 hours), crisply performed by Jonathan Coy, William Gaminara and Susanna Hamilton, is also a first-rate listen, but far from cosy. *Saint Maybe* (RC 31; 3 hours) is a new novel by highly-regarded American writer Anne Tyler, set in Baltimore, Maryland, and looking hard at a young man who has caused a tragedy and would like to spend the rest of his life making up for it. A capable young woman refuses to let him, in spite of himself. Admirable reading by American John Lithgow.

In the latest issue of *Oxford Today*, Margaret Atwood has identified *The Handmaid's Tale*, her recent novel set in the 21st century, as a "dystopia", "the invention of a terrible world", the opposite of a "utopia" (RC 21; 3 hours). This is the secret diary of Offred, whose sole function under the totalitarian dictatorship in Gilead is to produce children for her owner; her chronicle ends with her break for freedom. Julie Christie's reading is unaffected and persuasive. After that, the comfort of a little quiet mediaeval skulduggery: a dramatised version of one of Ellis Peters's Brother Cadfael mysteries, *Monks Hood*, from the BBC Radio Collection (ZBBC 1209; 2 cassettes; 2 hours 30 minutes), with Sir Michael Hordern as narrator and Philip Madoc as Cadfael. Or an earlier Cadfael story (and one of the best): *One Corpse Too Many* read by Glyn Houston for Listen for Pleasure (LFP 7508; 2 cassettes; 3 hours abridged).

Outstanding among the collections of short stories is Edgar Wallace's *Sanders of the River*, smacking of Empire and engagingly read in Edwardian-gentleman style by Martin Heller (Schiltron SPF 905-4; 4 cassettes; 5 hours; adapted); and Jeffrey Archer's *A Quiver Full of Arrows Volume One* (CSA Records Telltapes TTDMC 408; 2 cassettes; 3 hours). This selection consists of *One Night Stand, Broken Routine, Old Love, The Chinese Statue, The Luncheon* (very reminiscent of a similar story by Somerset Maugham), and *The Coup*, six fairy tales for grown-ups, some charming, some plain nasty, all expertly read by Martin Jarvis.

From the same company and also read by Martin Jarvis, seven stories by William Boyd under the title *My Girl in Skin-tight Jeans* (TTDMC 409; 2 cassettes; 3 hours), from his book *On the Yankee Station* are almost all steamily melodramatic; some give some epistemological problems a jokey airing. All are outstandingly fluent and confident. *Histoire Vache* might well turn you vegetarian.

There are some good two-cassette abridged thrillers this season. Random Century Audiobooks, quick off the mark, have got out the abridged version of Dick Francis's new book, *Comeback* (RC43; 3 hours) read by Colin Firth, all about horses, but from the vet's point of view and not the jockey's or the punter's: wonderfully gripping, with a new and particularly revolting style in murder. In honour of the new publication, they have also issued three of Francis's earlier novels: *Smokescreen* (RC 28) read by Edward Woodward; *Odds Against* (RC 30) read by Ian McShane; and *Knock Down* (RC 34), one of the master's best, read by Tim Pigott-Smith.

There is also Wilbur Smith's latest African thriller, *Elephant Song* (RC61), full of the blood of man and beast and an ecologically sound message, strongly read by Miles Anderson; and John le Carré brilliant reading of his *Call for the Dead* (RC 44) in which George Smiley makes his first appearance. Plus one old-style whodunnit for lovers of Sherlock Holmes, Conan Doyle's *The Valley of Fear* (RC 46), with a good story within a story, set in a mining valley in the US; read by Christopher Lee. From CSA Telltapes, *The Endless Game* (TTDMC 407) read by its author, Bryan Forbes, is an elegantly written Cold War political thriller, very tense.

To turn to a few lighter-hearted sets (all 2-cassette). Peter Mayle reads from his best-selling book *A Year in Provence* for the BBC Radio Collection (NBC 1218; 3 hours) and makes the Lubéron sound like the expat's heaven, despite disasters. Also from the BBC a first-rate reading by Stephen Fry of two of Anthony Buckeridge's Jennings stories, *Jennings Goes to School* and *Jennings Again* (NBC 1226; 2 hours 30 minutes). In the second story Jennings is still 10 years old but playing with skateboards and worrying about the Rain-forests.

Argo have re-issued Richmal Crompton's *More William Stories* (Argo 1259; 2 hours 15 minutes) splendidly read by the late Kenneth Williams. And Random Century have recorded three sets of stories by P G Wodehouse about Blandings Castle read by Martin Jarvis. The one I have heard, *Lord Emsworth and Others* (RC 39; 3 hours), is pure pleasure. Finally, two of the latest Comedy Classics from EMI are outstanding: *Joyce Grenfell: Joyful Joyce* (ECC 18; 1 hour 15 minutes); and British Comedy Classics Vol 2 (ECC17; 2 hours) with Cleese, Ustinov, Bentine, Sellers, Morecambe and Wise, et al., and Roy Hudd as a bus driver reporting a religious experience he has had on the North Circular Road.

Mary Postgate

A pox upon this ritual handwringing

Antony Thorncroft suggests Arts Council clients should shut up and be grateful

WHAT IS it about the arts that *brings* out curmudgeonly grousing among its groupies. For something that is supposed to exult the soul the arts encourage an extraordinary amount of *cynicism and hypocrisy.*

On Thursday Anthony Everitt, secretary of the Arts Council, distributed subsidies on a scale of munificence not seen since the distant days of Jennie Lee and Lord Goodman. *For DV8, the experimental* dance troupe, there was a rise in grant of over 160 per cent, to £105,000; that popular favourite LIFT got 50 per cent more at £236,500; *while the Young Vic's* problems were presumably ended by a 50 per cent gain, to £473,000.

The *LPO's move into the* South Bank next autumn as house orchestra was eased by a *130 per cent boost to over £1m* while the National Theatre can at *last* do something about its crumbling building with a 10.6 per cent hike to almost £10.9m. There is hardly a *major* arts company in the UK which did not get an improvement in grant way ahead of inflation, and the Regional Arts Boards, who fund the smaller arts groups, were even more generously endowed.

For some the news was sensational. At *last* London City Ballet, on the brink of closing down in the summer, can look *to the Arts Council for £750,000* over the next three years while Gay Sweatshop, which had its grant withdrawn and faced extinction, is welcomed back into the fold with £116,000.

So what was the reaction of *the media to good news week?* Why has the grant to the RPO been cut by almost 13 per cent? Why is the RSC getting half the increase of the National *Theatre? Why has the money* for the Royal Opera House only risen by 6.5 per cent? The RPO thinks, with some reason, that there is life beyond the Arts *Council and has planned a pro*gramme for 1992-93 involving more regional and foreign touring, and popular programmes in London, both of which reduce its eligibility for subsidy. It is no bad thing to get such dependence to below 10 per cent of income. The RSC was generously treated last year and has received 10 per cent more for its touring work. Covent Garden *is in the throes* of an Arts Council appraisal, and its grant of almost £19m still seems a juicy bone to hungrier hunters after subsidy.

Covent Garden and the *South Bank Board* then joined in with ritual hand ringing about their level of aid, although the South Bank got £1m more at £13.16m. This is ritualistic knee jerking since until a few weeks ago arts companies were planning their 1992-93 programmes on the basis of a 3.5 per cent rise in subsidy. One trembles to think of their reaction when a Government cuts back on arts funding.

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The begrudging reaction to the Arts Council's largesse was restrained compared with the insensitivity of the fat cats of *the art world gathered at the* Tate Gallery on Tuesday for the Turner prize. The fact that they had to shield their black ties and smart gowns from a noisy throng of Middlesex Poly art students outside the Tate *obviously upset their con*sciences. When Robert Hughes, the Australian critic living in New York, ended his speech with the token, out dated, denunciation of the Thatcher years, and called for more money to be spent on the arts, the well fed gathering, top tax payers all, howled their approval like banshees.

It was unsettling. The four *artists on this year's Turner* short list were particularly elitist, producing work which is unlikely to touch the spirit, or win the approval, of 95 per cent *of the population whose taxes* the privileged were demanding. This was just as disturbing as the crowd outside which was shouting for cash for the Poly rather than any great artistic ideal, and whose problems *have been caused by the Gov*ernment pressuring the colleges to take on yet more art students. The final dose of hypocrisy came from Channel *Four, sponsors of the Turner.* Its commissioning editor for arts, Waldemar Januszczak, had been the biggest scourge of sponsors in his newspaper *days.*

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The public may be indifferent to the Turner but its appetite for art is growing. While the West End theatre, Covent Garden, and concert halls experience a *stutter at the box office,* both the big art shows in London are performing above expectation. The Toulouse-Lautrec exhibition at the Hayward *is pulling in 2,700 a day,* against a 2,200 target, with research showing over 80 per cent of visitors expressing great *satisfaction, while daily* admissions for Pop Art at the Royal Academy are running at 3,000, against the 2,000 forecast. And 40 per cent of the visitors are under 18.

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What happened to the Arts Foundation, Lord Palumbo's brainchild which opened with a grand party and a £1m cheque from a mysterious well wisher *last summer? Its* director Stephen Bayley aimed to raise £20m to fund innovation in the arts. He has now accepted reality and decided that potential patrons have been temporarily scattered by the recession. However, to show its mettle, he is *distributing* the £100,000 interest from the capital sum.

The eight projects are an eclectic lot. Dance UK gets cash to create posters for dancers advising them on their warm up exercises; the LSO aid for an improvisation piece, "Soft Shoe Shuffle" by Pieter Wiegold; and an Arts Foundation Darkroom will be opened somewhere next year to allow students access *to advanced* photographic facilities.

Alastair Muir

Nigel Hawthorne and Janet Dale as the King and Queen in 'The Madness of George III'

Disintegration of 'Farmer George'

Claire Armitstead hails Alan Bennett's new play

THE TWO plays that *he now* has running on the South Bank stand as monuments to the furious frivolity of Alan Bennett. In the Olivier, the wind whistles once more through the willows, revealing a deep-set conservatism that culminates in the certainty that weasels can be routed and Toad *shall* have his hall again. In the Lyttelton, an altogether blacker *vision unfolds of* an establishment under threat from the enemy within, debarred by history from the possibility of a happy ending.

The Madness of George III is an exquisitely painful examination of a political disintegration that has quite unexpected parallels with our own times. George III, as every history student knows, talked *to* trees and lost America, not necessarily in that order. Bennett *seems to have a* genuine affection for "Farmer George", who has not only his own madness to contend with but the impatience of the heir *who* would keep him mad and the ambition of the doctors who profit from that madness. As he sits, appallingly blistered and blabbering, denied his queen and his clothes, his government slides towards defeat by Whig intriguers who have adopted the dissolute Prince of Wales as their figurehead.

Where George had a civilised curiosity, "benevolent, undirected and infinite", the new order is cynical, dissolute and fixated with style. You can feel Bennett recoiling from it, *much* as he recoils from the oikish vulgarity of the creatures occupying Toad Hall, yet it would be simplistic to imply that his analysis runs along straight party lines. What emerges limpidly *through this important* new play is that his politics are governed by cast of mind rather than cast of vote: better a Tory toad than a Whig weasel.

King George might be good and true, but his Prime Minister Pitt (Julian Wadham) is a pallid nonentity, while his physician (Harold Innocent) is a profiteer who creates a run on the stock market by selling *out on his own, confident* prognosis on the king's health. For the opposition, Fox (David Henry) is a man of integrity unimpeachable but for the colour of his nose and the morals of the mistress on his arm. His disciples, the playwright Sheridan, and the statesman Burke, are at the very least men of substance.

At the heart of the play lies the connection between public and personal *disintegration,* which is magnificently underscored by Nicholas Hytner's *operatic production.* The pomp and ceremony of Handel combine with Mark Thompson's picture-frame setting to create a public dimension which is offset by the *quirky* intimacy of Nigel *Hawthorne's* king.

Whether playing happy families in bed with his knitting queen, or enduring the degradations of assorted quacks, Hawthorne remains unshakeably and touchingly human. Janet Dale provides him with a splendid consort: funny, faithful and frumpily Germanic, while Michael Fitzgerald creates a fat slug of a prince, who is nowhere more at home than astride a gym horse, having "noble thoughts" for the benefit of his portraitist.

The play's monumental structure is riven with flaws, but even its imperfections have something to say. In a clumsily integrated break with period, a modern doctor informs George's physicians that the king was not mad but suffering from a metabolic disorder: different age, different label. In another scene, George savours *King Lear,* while insisting that its tragic ending is a mistake. Obliquely, as is his wont, Bennett reveals himself: his gleeful dismissal of orthodoxy, *and his refusal to follow his* pessimism through to its logical conclusion – in this case the imminent relapse of the good king into madness.

Radio

Middlebrows put in the picture

YOU WOULD not call Bryan Magee a middlebrow man, but his series of Wednesday conversations on Radio 3 are devised to explain to us mid*dlebrows what is inside* various current arguments. Hence their title, *What's the Big Idea?* and the saloon-bar style of introduction. "What on earth is *Post Modernism?*" asked Mr Magee this week. Last week he dealt with "the end of the Socialist dream"; next week the physics of the universe.

Post Modernism did not prove hard. It was examined from three viewpoints – architecture, with post-modernist architect Charles Jencks in his post-modernist house; music, with Bayan Northcott, who played some Berio but no Northcott; and literature, with Bryan Appleyard, who could not define post-modernist works without slipping into *references to other arts.* Broadly speaking, all agreed that post-modernism was a reaction against the excess formalism of modernism, and an "anything goes" principle.

The difficulty is to define modernism, for it changes with the calendar. Eliot's *Waste Land* was modern when it was *written; today you might call it* post-modern, but to some of us it is a classic. The fact is that if you accept the "anything goes" notion, many classics are post*modern – Shakespeare* and Mozart were offered by Mr Jencks – and many old buildings. Bryan Appleyard finds "anything goes" too frivolous, and literature tends to resort to mere reaction against what we read in the 1950s and '60s. Bryan Magee offered us no conclusion.

Three plays this week were firsts for radio – Radio 4's *Maiden City Magic*, by Jack Houlihan, on Tuesday, of which I could only hear half; its Thursday play, Anne Caulfield's *Almost Always African*; and Radio 3's Tuesday play, *Sailing with Columbus*, by Neil Rhodes.

Charles (David Morrissey), hero of Mr Rhodes's play, was about to get married when, following a private philosophy, he chucked his Gwen and travelled the world for 17 years. We see snapshots of him in his life *in a vicarage, wandering* through South America, Africa, Pakistan and India, and on the steamer taking him home. Has he been at home all the time, perhaps? Dreaming in an Indian village, he is offered the choice – 17 years travelling, or life with his Gwen and two children. A malleable past is entertaining but the characters are not intrinsically interesting *enough. Richard* Wortley was the director.

Almost Always African was a simple tale rendered brilliant by the writing and playing of *the characters. Frank* (Bill Nighy) is a prosperous ass of a presenter of pop singers, and rashly brings from the Gambia the comic village singer L.L. Moses to put some new African ideas into rock. He had not counted on also bringing two wives and numberless children, but they are part of the *personality. They all settle* down to extravagance at Harrod's and living on "motorbike food" – junk delivered by messenger – while Moses does his *village singing* on tour. He is played by Lenny Henry (another radio-drama first), who makes this unlikely character convincing and extremely funny. Paul Schlesinger directed.

Last week Radio 4 gave us And so to Wed, an anthology of proposals – under the Christmas tree, in a wheelchair, in hospital, in Japanese, after 15 years' *friendship, each example* interesting for 15 seconds, the collection increasingly less so. This week on Wednesday we had *Saying "I Won't"*. At least we had *more* social detail, but there were the same instant amusements with nothing growing. Some examples were only records of drama, which robbed the idea of its worth, I thought.

B.A. Young

How to turn an artefact into an asset

Richard Newbury explains why museums are adopting high street tactics

VISITORS TO the current Toulouse-Lautrec exhibition at the Hayward Gallery will find on sale pairs of elbow-length gloves, as worn by the ladies of the *Moulin Rouge. Novelty* merchandise, tea-towels, mugs, badges and aprons are one aspect of the strenuous efforts made by museums and *galleries* to raise money from their visitors. National museums, as *well* as *exhibition* spaces such as the Hayward and the Royal Academy, have had to adopt some of the methods of the high street.

The reason is that the government *has* approached the 19 national museums in much the same spirit as it has approached *other* public sector organisations. The central feature of its policy has been to keep a stranglehold on *funding* whilst advocating greater self-reliance through interaction with the private sector.

Although it is true that grants for running costs to the national museums have *steadily increased, they have* failed to keep pace with increases in actual running costs – chiefly salary levels, which are set by the Treasury for the civil service and are outside the control of the museums themselves. Since 1989/90 the situation has become acute, with salary costs consuming, typically, more *than 90 per cent of running* cost grants.

Implicit in the government's financial stringency is the belief that museums can and should make good the deficit through their own *revenue-raising activities.* To a surprising degree this has been achieved, with receipts from trading and other activities growing *from £3m in 1979/80 to* £44m in 1990/91. Among the 19 nationals, self-engendered income now ranges from 10 per cent to 35 per cent of total *income, with an average of 15* per cent. Spectacular corporate and private benefactions at the V&A and the National Gallery this year have also helped to create a sanguine picture.

However, *it is evident that* sponsorship and trading can do no more than supplement core-funding from the government. It has been *pointed* out that museums cannot attract sponsorship for deficits in *day-to-day* running.

Faced with the shrinking value of *their* grants, and the concomitant imperative of developing alternative sources of income and boosting attendance, some of the *museums* have adopted marketing and management *practices* hitherto more familiar in the private sector. The language, as well as the substance, of some of their annual reports and corporate *plans* indicates the change of outlook: visitors are often referred to as "customers for whose business the museums must compete in *the wider leisure* market."

Until recently, efforts to generate *day-to-day* income, as distinct from one-off sponsorship, were confined to retailing, catering, publishing, the hire of galleries for corporate functions, and charging for admission. However, several schemes have now emerged which involve the curatorial staff and the artefacts – or "assets" as they are now sometimes called – in the entrepreneurial culture.

The National Maritime Museum in Greenwich, for instance – the first of the nationals to introduce an *admission charge in 1984, and* frequently an innovator in the area of self-engendered income – has announced the opening of its Maritime Information Centre in 1992. Essentially a computerised information *service with a cross-referenced* data-base of the museum's vast collections of ship's plans, photographs, manuscripts and paintings, it is a scheme that has one eye on internal curatorial benefits and one *eye on the market. In the* words of the museum's Corporate Plan, "it will give us a chance to widen access to our assets and exploit them . . . the sale of information has *potential.*"

The museum has approximately 30,000 external enquiries a year concerning the history of ships and seamen. *In a move that* will break ranks with other museums, a fee will be charged in return for information, with the exception of educational *enquiries which will remain* free. Michael Bullions, the *project's* director, is keen to reassure that "the proverbial little old lady will not be *charged but invited to make a* donation." However, others will have to pay a fee ranging from a time-based figure for individuals to the *full market* rate for commercial organisations, such as dealers and auction houses.

It is envisaged that initially the *fees will do no more* than cover the cost of operating the system, although, characteristically, the museum has pro-active marketing *plans.* "There are over 100,000 ship modellers in the US," *says* Bullions, "which represents a very substantial potential market for our information."

The Natural History Museum also has a progressive marketing policy. Its Science *Marketing Scheme promotes* the museum's expertise and resources in the commercial sector, from which it generated nearly £1m of external funding during 1990/91 in the form of grants, contracts and *sponsorship. It now has* grants and commissioned research from over 40 different organisations, and hopes to increase its outside collaboration, which so far has created 60 externally *funded* (short term) posts. John Peake, the director of Science *Marketing at the* museum, rejects the charge that involvement with commerce distracts *curators* from scholarly and academic *priorities. He maintains* that substantial contracts are only accepted when they complement the museum's own research, and that scholarship is frequently fertilised through external *contact.*

These developments have inevitably aroused criticism. To those who see the national museums as embodying liberal *principles of free access* and the disinterested and unfettered exchange of knowledge, the concept of them charging for their *services and soliciting* for business is offensive. The museums concerned are aware of the sensitivity of this issue, and the related matter of admission charges.

Responsibility for charges must partly rest with government underfunding, although where this has not *actually* hampered the important work of research, display and interpretation it has had the salutary effect of forcing museums to define *their priorities* more explicitly. The question of how they intend to attract and satisfy their visitors has become paramount.

It has become *impossible for* the national museums to remain detached from the expectations of the public, or indeed from the expectations of the government, which next year will introduce *Performance Indicators into* the national system. These are intended to be a means of measuring the "cost effectiveness" of key areas, *such as display, access,* collections management and *scholarship itself. Already* a well-established feature of management elsewhere in the public sector, the application of audit-type measurements to *museums* has alarmed some trustees and staff.

But the Labour Party's *recent pledge to abolish* admission charges would be against the wishes of many of the museums, as well as the apparent willingness of the public to pay. Many millions would have to be *found to compensate museums* for the financial shortfall it would cause. However, if the current government allows the value of running cost grants to *shrink, the revenue raised by* charges and the other projects described will simply be tipped into the deficit.

Chess No 899: 1 Bb6 Ke2 2 Nd4,or R any 2 Qf1, or f4 2 Bxg4,or B any 2 Qxd3.

هكذا من الأصل

TELEVISION

SATURDAY

BBC1

7.25 News. 7.30 Ovide. 7.40 Opposites Attract. 7.50 The Jetsons. 8.15 Chuckievision. 8.35 Dungeons and Dragons. 9.00 Going Live!

12.12 Weather.

12.15 Grandstand introduced by Steve Rider. Including 12.20 Boxing/Football. Highlights of the heavyweight bouts between Evander Holyfield and Smokin' Bert Cooper and Lennox Lewis and Tyrell Biggs. Plus a review of the midweek football action including Liverpool's Third Round battle in the UEFA Cup. 12.55 News. 1.00 Racing from Chepstow: The Arlington Premier Series Chase (Qualifier). 1.10 Snooker: UK Championship Final from The Guild Hall, Preston. 1.30 Racing: The Jack Brown Celtica Cup Handicap Chase. 1.45 Snooker: Continued coverage. 2.05 Racing: The Rehearsal Chase (Limited H'cap). 2.20 Snooker: Further coverage of the final. 2.55 Rugby League: Live coverage of the main tie from Round Three of the Regal Trophy. 4.35 Final Score. Times may vary.

5.00 News.

5.10 Regional News and Sport.

5.15 Popeye.

5.25 Only Fools and Horses. Del's powers of persuasion are put to good use: Starring David Jason and Nicholas Lyndhurst.

5.55 Noel's House Party.

6.45 Bruce Forsyth's Generation Game.

7.45 Film: Jaws - The Revenge. Lorraine Gary and Michael Caine star in this sequel, with yet another great white shark on the rampage. Premiere with Lance Guest. *(1987)*.

9.15 News and Sport; Weather.

9.35 Saturday Night Clive. Clive is joined in the studio by *actor/comedian* Lenny Henry. Last in series.

10.20 Snooker: UK Championship. David Vine presents action from the first day of the final. From The Guild Hall, Preston. Coverage continues tomorrow on BBC1 at 3pm.

11.40 Film: Don't Just Lie There, Say Something. Bedroom farce starring Leslie Phillips and Joanna Lumley (1973).

1.10 Weather.

1.15 Close.

BBC2

8.45 Open University. 11.05 Spirit of Asia. 12.05 pm Holiday Outings. 12.15 Film: Journey into Fear. 1.25 Two Points of View.

1.45 Heirs and Graces. Lady Victoria Leatham visits Chatsworth House while the Duchess of Devonshire shares a few ancestral anecdotes.

2.15 Network East. Profiling international conductor Zubin Mehta.

2.45 Mahabharat. (English subtitles).

3.30 Film: The Only Way. In 1943, Dr Morten Jensen travels round Copenhagen warning Jewish families that the SS are about to move in and arrest them. Starring Jane Seymour and Martin Potter (1970).

4.55 Snooker: UK Championship. The final. David Vine introduces the first session of seven frames.

6.05 Play Bridge with Zia.

6.35 Late Again. Selected highlights from the week's Late Shows.

7.20 Have I Got News for You? Angus Deayton is joined by team captains Ian Hislop and Paul Merton to play the comic news quiz.

7.50 News and Sport; Weather.

8.05 Sound of the Sixties.

8.35 The Second Russian Revolution. An exclusive interview with President Gorbachev forms part of the full story of the August coup that seemed, for a few days, to have toppled him from power. Last in series.

9.35 Moving Pictures. A look at The Fisher King, Dead Again, Shattered and Regarding Henry, all of which feature amnesiac characters. With Terry Gilliam.

10.25 Film: Fitzcarraldo. An eccentric Irish entrepreneur tries to take opera to the jungle outpost of Iquitos. Starring Klaus Kinski and Claudia Cardinale (1982).

1.05 Film: Hangover Square. A sensitive composer is driven to murderous blackouts by discordant sounds which cause him to roam the city streets in search of victims. Starring Laird Cregar and *Linda Darnell* (1945).

2.25 Close.

LWT

6.00 TV-am. 9.25 Motormouth. 11.30 The ITV Chart Show. 12.30 pm Superman.

1.00 ITN News; Weather.

1.05 LWT News; Weather.

1.10 Saint and Greavsie. Ian St John and Jimmy Greaves with highlights of the midweek round of European matches.

1.55 The Day.

2.00 Bewitched by a Dolphin. The story of a young, wild dolphin who befriended the inhabitants and visitors of a Welsh fishing village.

3.00 Film: Voyage to the Bottom of the Sea. When the world is threatened with destruction, the atomic submarine Seaview sets out to save the planet. Underwater adventure starring Walter Pidgeon and Joan Fontaine (1961).

4.45 Results Service. The day's football scores.

5.00 ITN News; Weather.

5.05 LWT News; Weather.

5.10 10 Sharp! Gary Wilmot joins Pat Sharp for the Jungle Book Megamix, and also meets nine-year-old American actress Thora Birch, star of All I Want for Christmas, who is tipped as the Shirley Temple of the 1990s.

5.25 Catchphrase.

5.55 Baywatch.

6.50 Blind Date.

7.50 The Royal Variety Performance. Diana Ross tops an all-star bill at the Victoria Palace, London. Also performing in the presence of The Queen and The Duke of Edinburgh are ex-rabbi-turned-funnyman Jackie Mason. Les Dawson and singer/songwriter Beverley Craven.

10.30 ITN News; Weather.

10.45 LWT Weather.

10.50 Beverly Hills 90210.

11.50 Tour of Duty.

12.50 Cue the Music: Queen at Wembley – A Tribute to Freddie Mercury.

1.50 The Big E.

2.55 Coach.

3.25 American College Football: Clemson v Georgia.

4.20 The Hit Man And Her.

CHANNEL4

6.00 Early Morning. 9.30 Same Difference. 10.00 Travelog. 10.30 Wagon Train. 11.30 Tony Jacklin's Pro-Celebrity Golf Challenge. 12.30 pm American Football - Red 42.

1.00 Air Pirates of the Outback. Puppet animation from Australia.

1.15 Channel 4 Racing from Sandown Park introduced by Brough Scott. Featuring the 1.25 Henry VIII Novices' Chase, 1.55 Oak Novices' Handicap Hurdle, 2.30 William Hill Handicap Hurdle and the 3.00 *Mitsubishi Shogun Tingle Creek.*

3.25 Film: A Ticket to Tomahawk. A travelling salesman finds he's the only paying passenger on a dangerous train journey through the Wild West. Comedy-western with Anne Baxter, Dan Dailey and Walter Brennan (1950).

5.05 Brookside.

6.30 News Summary and Weather followed by **Right to Reply** in which viewer Alan Davis examines television coverage of the war in Yugoslavia. He investigates claims that news reporting has been biased towards the Croatians and asks Paul Woolwich, editor of This Week, and David Lloyd, commissioning editor for Channel 4 news and current affairs, why there have been no current affairs programmes devoted to the war.

7.00 South. The plight of Latin America. Three film-makers mark the 500 years since the discovery of the Americas with a mixture of animation, film and fiction.

8.00 Film: Oliver Twist. David Lean directed this version of Dickens' classic tale. Starring Alec Guinness, John Howard Davies and *Robert Newton (1948)*.

10.10 Next Stop Hollywood: To the Moon, Alice. Director Jessie Nelson's short film focuses on the Wiliker family who, through no fault of their own, find themselves homeless.

10.45 Film: A Short Film About Love. Tomek, a 19-year-old post-office clerk, spies on Magda, a designer in her 30s, who lives in the high-rise flats across the road. Voyeuristic drama starring Olaf Lubaszenko (1988).(English subtitles).

12.20 The Oprah Winfrey Show.

1.15 American Football - Red 42.

1.45 The Word.

2.45 Close.

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-

ANGLIA:
12.30 Motorsport. 1.05 Anglia News 1.55 The A-Team. 2.50 Elephant Walk. 5.05 Anglia News and Sport 5.20 Warner Cartoon Time.

BORDER:
12.30 Munsters Today. 1.05 Border News. 1.55 Hard Time on Planet Earth. 2.50 High Tide at Noon. 5.10 Border News and Weather 5.15 Cartoon Time 11.50 Hannie Caulder.

CENTRAL:
12.30 The Munsters Today. 1.05 Central News 1.55 The World of Women's Tennis. 2.25 The Spectacular World of Guinness Records. 2.50 *Oliver Twist. (TVM 1982) 5.05 Central News 5.10* Central Sports Special – Goals Extra. 10.45 Central Weather. 11.45 Kojak: The Price of Justice. (1987)

CHANNEL:
12.30 Blockbusters. 1.05 Diary Dates. 1.55 And They Walked Away 2.50 The Secret of the Incas. 5.05 Channel News. 5.10 Puffin's Pla(i)ce.

GRAMPIAN:
12.30 Beathaichean Neonach. 1.05 Grampian Headlines 1.55 Beachd. 2.50 The Life and Times of Grizzly Adams. 3.45 Wrestling 4.45 Scotsport Results. 5.05 Grampian News 5.10 Criomagan. 5.15 Put It In Writing. 10.50 Norman McLean at Large. 11.50 Hannie Caulder. (1970)

GRANADA:
11.30 Peppino. 12.00 The ITV Chart Show. 1.05 Granada News 1.55 The Life and Times of Grizzly Adams. 2.50 Doctor in Clover. (1966) 5.05 Granada News 5.10 Granada Goals Extra! 11.50 Hannie Caulder. (1970)

HTV:
12.30 The Munsters Today. 1.05 HTV News 1.55 The Life and Times of Grizzly Adams. 2.50 Doctor in Distress. (1963) 5.05 HTV News and Sport 10.50 Pilkington Cup Rugby.

HTV Wales as HTV except:
5.20 Cartoontime. 10.50 Beverly Hills 90210.

SCOTTISH:
11.30 The ITV Chart Show. 12.30 Dinosaurs. 1.05 Scotland Today. 1.55 All Action Sports Special. 2.20 My Secret Identity. 2.50 Hell on Frisco Bay. (1955) 4.45 Scotsport Results. 5.05 Scotland Today 5.15 Cartoon Time. 10.50 The Scottish Fiddle Orchestra in Belfast. 11.50 The Young Riders.

TSW:
12.30 The South West Week. 1.05 TSW News. 1.55 The Life and Times of Grizzly Adams. 2.50 The Birthday Present. 5.05 TSW News and Sport 5.15 Gus Honeybun's Cartoontime. 11.50 Hannie Caulder.

TVS:
12.30 Blockbusters. 1.05 TVS News. 1.55 And They Walked Away. 2.50 The Secret of the Incas. (1954) 5.05 TVS News and Sport

TYNE TEES:
12.30 Riverside. 1.05 Regional News. 1.55 The Life and Times of Grizzly Adams 2.50 Doctor in Clover. (1966) 5.05 Northern Life Sport Special. 5.15 Cartoon Time. 11.50 Hannie Caulder.

ULSTER:
12.30 Dinosaurs. 1.05 Ulster Newstime 1.55 Superstars of Wrestling. 2.50 Oliver Twist. (TVM 1982) 5.10 Ulster News and Sport 10.45 Ulster Newstime 11.50 Hannie Caulder. (1970)

YORKSHIRE:
12.30 Katts and Dogs. 1.05 Calendar News 1.55 Soccer in the Seventies. 2.25 The A-Team. 3.20 Wonder Woman. (1974) 5.05 Calendar News 5.15 Cartoon Time. 11.45 Brubaker (1980)

SUNDAY

BBC1

8.40 The Pennine Challenge. 9.10 News. 9.15 The Coming of His Glory. 10.00 See Hear! 10.30 Deutsch Direkt. 10.55 Fast Feasts. 11.00 Mosaic. 11.30 Skillshop.

12.00 Through the Looking Glass.

12.30 Country File.

12.55 Weather for Farmers.

1.00 News; On the Record: Jonathan Dimbleby interviews Chris Patten, *chairman of the Conservative Party.*

2.00 EastEnders.

3.00 Snooker: UK Championship. The third session of the final, introduced by David Vine from The Guild Hall, Preston.

4.30 Tom and Jerry.

4.40 Dad's Army.

5.20 The Clothes Show. The Bride of the Year is chosen: Selina Scott meets *Juliet Hemingway*, who designed the robes worn by the Archbishop of Canterbury.

5.45 Merlin of the Crystal Cave.

6.15 Tomorrow – The World. How to stand up for yourself and have the confidence to respond constructively to criticism.

6.25 News.

6.40 Songs of Praise for Advent Sunday, held in Bath Abbey. Candle-lit celebration of the coming of Christ.

7.15 You Rang, M'Lord? Comedy with Paul Shane and Donald Hewlett.

8.05 Snooker: UK Championship. David Vine presents coverage from the fourth session of the final.

8.55 News and Weather.

9.10 Ashenden. On his most dangerous mission to date, Ashenden travels to Russia using an unwitting American businessman as his cover. Espionage drama starring Alex Jennings, Joss Ackland and Rene Auberjonois.

10.05 Snooker: UK Championship. David Vine presents coverage of the deciding session from the final.

10.40 Everyman. After 74 years of the suppression of Christian faith in Russia, the Orthodox Church vies with New Age teaching for the attention of the devout, the disillusioned and the desperate.

11.20 Birthrights.

11.50 Mahabharat. (English subtitles).

12.30 Weather.

12.35 Close.

BBC2

7.25 But First This On Two; Tales of a Wise King and the Devil. 7.30 Hallo Spencer. 7.55 Playdays. 8.15 Bitsa. 8.30 Telling Tales. 8.45 Babar. 9.10 Blood and Honey. 9.30 Defenders of the Earth. 9.50 Blue Peter Omnibus. 10.40 The Dark Season. 11.10 Boxpops. 11.50 The O-Zone. 12.00 Around Westminster.

12.30 Film: *Pardners* starring Jerry Lewis and Dean Martin.

3.00 Film: Operation Petticoat. World War Two comedy starring Cary Grant and Tony Curtis (1959).

4.55 Animation Now.

5.05 Rugby Special. Best of the action from the Pilkington Cup, 3rd round.

6.05 Travel Show Guides. A report from the Costa de la Luz, Spain. Also find out where the Spanish have been going on holiday – and why.

6.35 *The Money Programme.* Tessa Curtis investigates the technological race and business strategies behind the computer industry.

7.15 The Natural World. Each spring, thousands of caribou in the forests of Alaska struggle 300 miles through freezing rivers and over *icy mountains* to reach their calving ground.

8.05 The Dream Machine. How the technological changes of the 1970s made the ownership of home computers a reality, and sowed the seeds of a huge industry.

8.55 *Did You See?* *Jeremy Paxman* reviews 'Aids Update 1991', 'Stanley and the Women' and 'A Question of Sport' with guests David Puttnam, Claire Rayner and David Thomas.

9.25 Not Mozart. Last in series paying homage to the composer.

9.55 Little England.

10.05 Facing Up to Aids. Special programme for World Aids Day. Saughton Prison in Edinburgh holds the highest known number of HIV positive inmates of any prison in the UK. This film tells the moving stories of three of them.

10.45 Film: Andre's Mother. Tells the story of a mother coming to terms with her son's death from Aids (1990).

11.35 Film: Double Indemnity. Starring Barbara Stanwyck and Fred McMurray (1944).

1.20 Def II: Rapido.

1.55 Close.

LWT

6.00 TV-am. 9.25 Disney Club. 10.45 Link. 11.00 Morning Worship. 12.00 The Human Factor. 12.30 pm LWT News Weekend; Weather.

1.00 ITN News; Weather.

1.10 Walden. Brian Walden interviews the Chancellor of the Exchequer, Norman Lamont; **The Day.**

2.05 Cartoon Time.

2.15 Batman.

2.45 The Match. Elton Welsby introduces live coverage of the game between London rivals Arsenal and Spurs, with commentary by Brian Moore.

5.00 Bullseye.

5.30 Dinosaurs.

6.00 Animal Country. Desmond Morris and Sarah Kennedy take another journey through the countryside of Suffolk and Norfolk.

6.30 ITN News; Weather.

6.35 LWT News.

6.40 Highway. Sir Harry Secombe visits the Royal Burgh of Dornoch, Scotland.

7.15 Beadle's About.

7.45 The Ruth Rendell Mysteries: Means of Evil.

8.45 London's Burning.

9.45 ITN News; Weather.

10.00 LWT Weather.

10.05 Spitting Image.

10.35 Aids – What Do We Tell Our Children? A specially commissioned programme that looks at issues presented by Aids. How does the next generation grow up with this killer disease affecting how they conduct their lives?

11.35 Film: The Ryan White Story. A teenage haemophiliac and his mother wage a fight against an ignorant society when they learn that he has contracted the Aids virus from contaminated *blood* products. Starring Lukas Haas and George C Scott (TVM 1989); **ITN News Headlines.**

1.25 Terrence Higgins Trust Concert; ITN News Headlines.

2.50 Film: The Littlest Victims.

4.35 The ITV Chart Show.

CHANNEL4

6.00 Early Morning. 9.25 The Sword of Tipu Sultan.(English subtitles). 10.00 A Week in Politics - Second Reading, including interview with Clive Soley MP, Labour's housing spokesman, on mortgage repossessions; a look at the fate of sterling, plus political cartoonists – how individual cartoonists portray the same political events. 10.50 Dennis. 11.10 Round the Bend. 11.30 The Lone Ranger. 12.00 Little House on the Prairie.

1.00 Voyage to the Bottom of the Sea.

2.00 Film: The Prince and the Showgirl. Comedy starring Marilyn Monroe as an American chorus girl who falls for a Ruritanian Prince Regent, played by Laurence Olivier. With Sybil Thorndike (1957).

4.15 A Tribute to Dame Peggy Ashcroft. Special memorial service at Westminster Abbey.

4.55 News Summary.

5.00 Jim Henson's Greek Myths.

5.30 Family Pride.

6.00 Press Gang.

6.30 The Cosby Show.

7.00 Equinox. Following the proposed development of an office block in Petershill, just south of St Paul's Cathedral. Will the building be successfully completed or not? Equinox delves into the complexities of metropolitan planning.

8.00 Whicker Way Out West. Alan meets the tuned-up tiny tots who were the new breed of speedway riders. Previously shown on ITV.

8.30 American Football. The main game tonight is the New York Jets at the Buffalo Bills and the road game is the Green Bay Packers at the Atlanta Falcons.

10.00 Film: Somebody Up There Likes Me. Paul Newman plays a kid from the wrong side of town who embarks on a boxing career that leads to a world title shot. Shown as part of the Rebels with a Cause season (1956).

12.05 Film: Laada. Young people question the values of their village. African drama shown as part of the Cinema from Three Continents season (1990).

1.40 Close.

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-

ANGLIA:
12.30 Goals Galore. 12.55 Anglia News. 2.00 Wheels Special. 5.00 Dinosaurs. 5.30 Bullseye. 6.35 Anglia News. 10.00 Regional Weather.

BORDER:
12.30 Gardening Time. 12.55 Regional News. 2.00 Katts and Dog. 2.30 Cartoon Time. 5.00 Scotsport. 6.00 Bullseye. 6.35 Regional News. 10.35 The Ryan White Story. (TVM 1989)

CENTRAL:
12.30 Gardening Time. 12.55 Central News 2.00 The Spectacular World of Guinness Records. 5.00 The Earth Dwellers Guide. 6.35 Central News 10.00 Central Weather.

CHANNEL:
12.30 Reflections. 12.35 Les Francais Chez-Vous. 12.50 Tele-Jornal. 2.00 Katts and Dog 2.30 Cartoon. 6.35 Channel News. 10.35 The Human Factor. 11.05 An Invitation to Remember.

GRAMPIAN:
10.45 Interbang. 11.15 Sunday Service. 11.45 Link. 12.30 Jack Thompson Down Under. 12.55 Grampian Headlines. 2.00 Coronation Street. 3.00 The Silk Road 4.00 Animal Country. 4.30 Bullseye. 5.00 Scotsport. 6.00 Scotland's Larder 6.35 Grampian Headlines 10.00 Grampian Weather 10.35 The Ryan White Story

GRANADA:
12.25 Granada This Week. 12.50 Aap Kaa Hak 2.00 Cartoon Time. 2.10 Taylor and McMenemy. 5.30 Coronation Street. 6.35 Granada News 10.35 The Ryan White Story. (TVM 1989)

HTV:
12.30 West Country Farming. 12.55 HTV News 2.00 HTV Newsweek. 2.30 Planning the Small Garden 6.35 HTV News

HTV Wales as HTV except:
12.30 The Entertainers. 2.00 West Country Farming.

SCOTTISH:
10.45 Glen Michael's Cartoon Cavalcade. 11.15 Link. 11.30 Sunday Service. 12.30 The Munro Show 12.55 *Scotland Today.* 2.05 A Star is Born. (1937) 4.00 Taxi. 4.30 Bullseye. 5.00 Scotsport. 6.00 Scotland's War. 6.35 Scotland Today 10.00 Scottish Weather.

TSW:
12.30 TSW Farming Week. 12.55 TSW News. 2.00 Steve Looks Back. 2.30 Gus Honeybun's Magic Birthdays. 5.30 Cobblestones, Cottages and Castles. 6.35 TSW News 10.00 TSW Weather 10.35 The Ryan White Story

TVS:
12.30 TVS News. 12.33 Agenda. 12.58 TVS Weather. 2.00 Katts and Dog. 2.30 Cartoon. 6.35 TVS News. 10.35 The Human Factor. 11.05 An Invitation to Remember.

TYNE TEES:
12.25 Windsurf 12.55 Regional News. 2.00 On a Wing and a Prayer. 2.15 The Back Page. 5.00 Bullseye. 5.30 Dinosaurs. 6.35 Regional News. 10.35 The Ryan White Story (TVM 1989)

ULSTER:
12.30 Gardening Time. 12.55 Ulster Newstime 2.15 The River Thames. 5.30 Coronation Street. 6.35 Ulster Newstime 10.00 Ulster Newstime 10.35 The Ryan White Story. (TVM 1989)

YORKSHIRE:
12.25 Goals on Sunday. 12.50 Calendar News. 2.00 Cartoon Time. 2.15 The Spectacular World of Guinness Records. 5.00 Dinosaurs. 5.30 Animal Country. 6.00 Bullseye. 6.35 Calendar News. 10.00 Local Weather.

RADIO

SATURDAY

BBC RADIO 2
6.00 Graham Knight. 8.05 Ronnie Hilton. 9.00 Brian Matthew. 10.00 Sarah Kennedy. 12.00 Gerald Harper. 1.30 The News Huddlines.
2.00 Ed Stewart. 4.00 It Was a Very Good Year. 4.30 Katie and Friends. 5.00 Cinema 2. 5.30 Screenplay. 6.00 Ballroom. 7.00 Jazz Score. 7.30 St Andrew's Day Celebration 8.30 Easy Does It. 10.00 The Arts Programme. 12.05 Brian Matthew 12.30 Night Ride. 3.00 A Little Night Music. 4.00 David Allan with The Early Show.

BBC RADIO 3
6.35 Maths Access.
Countdown to Angles.
6.55 Weather; News Headlines.
7.00 Morning Concert.
8.30 News.
8.35 Philip Martin (piano).
9.30 Saturday Review.
12.55 Words
1.00 News.
1.05 Beethoven and Bartok.
2.10 BBC Scottish Symphony Orchestra.
3.30 French Baroque Music.
4.00 Tuning Up.
5.00 Jazz Record Requests.
5.45 Third Opinion.
6.30 Cello and Piano
7.30 Simon Boccanegra.
10.30 1991 Reith Lectures: The Language of the Genes.
11.00 Gwendolyn Mok (piano).
12.00 News.
12.05 Close.

BBC RADIO 4
6.00 News.
6.10 Farming Week.
6.50 Prayer for the Day.
6.55 Weather.
7.00 Today.
8.58 Weather.
9.00 News.
9.05 Sport on 4.
9.30 Breakaway.
10.00 News; Loose Ends.
11.00 News; The Week in Westminster.
11.30 *Europhile.*
12.00 Money Box.
12.25 I'm Sorry I Haven't a Clue.
12.55 Weather.
1.00 News.
1.10 Any Questions?
1.55 Shipping Forecast.
2.00 News; Any Answers?
2.30 Saturday Playhouse: Black Bartlemy's Treasure.
4.00 News; Age to Age.
4.30 Science Now.
5.00 Living with the Legend.
5.25 Tea Junction.
5.50 Shipping Forecast.
5.55 Weather.
6.00 News; Sports Round-up.
6.25 *Week Ending.*
6.50 Stop the Week.
7.20 Kaleidoscope.
7.50 Classic Serial: Jamaica Inn.
8.50 Conversation Piece.
9.20 Music in Mind.
9.50 Ten to Ten.
9.59 Weather.
10.00 News.
10.15 Open Mind.
10.45 As Others See Us.
11.00 Richard Baker Compares Notes.
11.30 Dear Diary.
12.00 News; Interlude.
12.33 Shipping Forecast.
12.43 (FM) Close.
12.43 (LW) As World Service.

BBC RADIO 5
6.00 Newsdesk.
6.30 Morning Edition.
9.00 On Your Marks.
12.00 Sport on 4 Plus 1.
12.30 Sportscall.
1.30 Sport On 5.
6.00 News.
6.05 Six-O-Six.
7.30 Le Top.
9.00 Afropop Worldwide.
10.00 Sports Bulletin.
10.15 On The Level.
12.00 Sport.
12.10 Close.

WORLD SERVICE
BBC for Europe can be received in Western Europe on Medium Wave 648 kHZ (463m) at the following times GMT:
6.00 Newsdesk. 6.30 Londres Matin. 7.00 News; 24 Hours: *News Summary. 7.30 From* The Weeklies. 7.45 Cole Porter Among Friends. 8.00 News; Words of Faith. 8.15 A Jolly Good Show.
9.00 News; Waveguide; Worldbrief. 9.30 Personal View. 9.45 Sports Roundup. 10.00 News Summary; Jazz Now And Then. 10.15 Letter From America. 10.30 People and Politics. 11.00 Newsdesk. 11.30 Londres Midi.
11.45 Mittagsmagazin. 12.00 News; News About Britain. 12.15 Multitrack 3. 12.45 Sports Roundup. 1.00 Newshour. 2.00 Club 648. 2.15 Personal View. 2.30 Sportsworld. 3.00 News; Sportsworld continued. 4.00 News; News about Britain.
4.15 BBC English. 4.30 News in German. 4.40 German Features. 5.00 News Summary; Sportsworld: Final results. 5.30 Londres Soir. 6.14 BBC English. 6.29 News Summary. 6.30 Heute Aktuell. 7.00 German Features. 7.54 News in German. 8.00 News; Book Choice.
8.15 Londres Derniere. 8.30 Europe This Weekend. 9.00 Newshour. 10.00 News; Seeing Stars. 10.20 Meridian. 10.50 Sports Roundup. 11.00 News; Words of Faith; Book Choice. 11.15 A Jolly Good Show. 12.00 Newsdesk.
12.30 The Ken Bruce Show. 1.00 News Summary. 1.01 Play Of The Week: Damaged Goods. 2.00 Newsdesk. 2.30 Men By Women, Women By Men. 3.00 News; News about Britain; Sports Roundup.
3.30 From Our Own Correspondent. 3.50 Write On. 4.00 Newsdesk. 4.30 Business Review; Travel. 4.45 News and press review in German.

SUNDAY

BBC RADIO 2
6.00 Graham Knight. 7.30 Don MacLean. 9.05 Richard Baker. 11.00 Desmond Carrington. 2.00 Benny Green. 3.00 Sounds Easy. 4.00 They Don't Write Songs Like That Anymore. 4.30 Sing Something Simple. 5.00 Charlie Chester. 7.00 Black Magic. 7.45 The Collins Collection. 8.30 Sunday Half-Hour. 9.00 Alan Keith. 10.00 Radio 2 Arts Programme. 12.05 Ronnie Hilton. 1.00 Colin Berry with Night Ride. 3.00 A Little *Night Music. 4.00 Alex Lester*

BBC RADIO 3
6.55 Weather, News Headlines.
7.00 Morning Concert.
8.30 News.
8.35 Mozart Masses.
9.05 Moura Lymphany.
10.00 Music Weekly.
10.45 A Dutch Retrospect.
12.45 Table Talk.
1.00 News.
1.05 Your Concert Choice.
2.30 Mozart Violin Sonatas.
4.10 Poet of the Month.
4.30 Ulster Orchestra.
5.15 Opera News.
6.00 The Advent Carol Service.
7.30 Sunday Play: Amadeus.
9.45 BBC Symphony Orchestra.
11.20 Messe en l'honneur du Saint-Sacrament.
12.00 News.
12.05 Close.

BBC RADIO 4
6.00 News.
6.10 Prelude.
6.30 News; Morning Has Broken.
6.55 Weather.
7.00 News.
7.10 Sunday Papers.
7.15 On Your Farm.
7.40 Sunday.
8.50 The Week's Good Cause.
8.55 Weather.
9.00 News.
9.10 Sunday Papers.
9.15 Letter from America.
9.30 Morning Service.
10.15 The Archers.
11.15 News Stand.
11.30 Pick of the Week.
12.15 Desert Island Discs.
12.55 Weather
1.00 The World This Weekend.
1.55 Shipping Forecast.
2.00 Gardeners' Question Time.
2.30 Sunday Playhouse: Flowers For Algernon.
3.30 The Radio Programme.
4.00 News; Analysis.
4.47 Time for Verse.
5.00 News; Down Your Way.
5.40 Not What the Brochure Said.
5.50 Shipping Forecast.
5.55 Weather
6.00 News.
6.15 Feedback.
6.30 Europhile.
7.00 The Root of the Matter.
7.30 Bookshelf.
8.00 Down with Women.
9.00 The Natural History Programme.
9.30 Special Assignment.
9.59 Weather.
10.00 News.
10.15 Requiem for Mozart.
11.00 In Committee.
11.30 Seeds of Faith.
11.45 Before the Ending of the Day.
12.00 News and Weather.
12.33 Shipping Forecast.
12.43 (FM) Close.
12.43 (LW) As World Service.

BBC RADIO 5
6.00 World News and 24 Hours.
6.30 Meridian Reports.
7.00 News and 24 Hours.
7.30 Sunday Edition.
9.00 This Family Business.
10.30 Education Matters.
11.00 News and Sport; Nessie.
11.30 Europe on the Move.
12.00 News and Sport.
12.05 Ring a Winner.
1.40 Open University: Open Forum.
2.00 News and Sport: Kitchen Cabinet.
2.30 Football Extra
5.00 Sport; Mike's Secret Mike.
5.30 Black Museum.
6.00 Sport; Talking Poetry.
6.30 Great Expectations
7.00 Sports Bulletin.
7.15 Euromix.
8.00 Paso Doble.
8.30 France Extra!
9.00 Deutsch Direkt!
9.30 Dragnet.
10.00 Sport.
10.10 Across the Line.
12.00 News and Sport.
12.10 Close.

WORLD SERVICE
BBC for Europe can be received in Western Europe on Medium Wave 648 kHZ (463m) at the following times GMT:
6.00 Newsdesk. 6.30 Londres Matin. 7.00 News; Twenty-Four Hours, News Summary. 7.30 From Our Own Correspondent 7.50 Write On. 8.00 News, Words of Faith. 8.15 Music With Matthew. 9.00 News; Business Review. 9.15 Seeing Stars. 9.30 The Best *of British. 9.45 Sports* Round-up. 10.00 News Summary; Science in Action 10.30 In Praise of God. 11.00 Newsdesk. 11.30 Londres Midi, 11.45 Mittagsmagazin. 12.00 News Summary. 12.01 Play of the Week: Damaged Goods. 1.00 Newshour. 2.00 News Summary. 2.01 Colours. 2.30 Anything Goes. 3.00 News. 3.15 The Mozart Years 4.00 News; News About Britain. 4.15 BBC English. 4.30 News in German. 4.40 German Features. 5.00 News and Business Review. 5.15 Club 648. 5.30 Londres Soir. 6.14 BBC English 6.29 News Summary; News in German. 6.40 German Features. 7.54 News in German. 8.00 News and Business Review. 8.15 Londres Derniere. 8.30 Europe Tonight. 9.00 Newshour. 10.00 News; Folk in Britain. 10.20 Meridian. 10.50 Sports Roundup.

CHESS

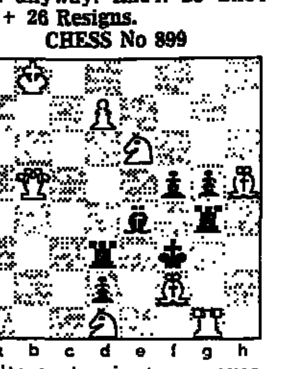
WORLD Champion Gary Kasparov's political splinter group, the Liberal Conservatives, offered recently to pay for Leningrad street signs to be altered to St Petersburg. This led to debate among chess experts: should variations and tournaments with the Leningrad name be altered? The consensus was no. Even under Stalinism, Soviet journals still referred to the tournaments at St Petersburg 1896 and 1914 under their pre-revolutionary name, so Leningrad is also perpetuated. The debate was evocative for older Russian players who had lived through the wartime siege, and sparked a psychological coup in the 1991 French championship.

Former world champion Boris Spassky was evacuated from his home at age four in 1941. Brilliantly creative at his peak, Spassky's chess is now so pacific that he is the only grandmaster who has been obliged to sign a tournament *contract pledging to cut down* on quick draws.

Boris's opponent in this week's game chose the sharp and complex Leningrad system, a throwback to Spassky's youth. *A la recherche du temps perdu.* Spassky tried for an early crush down the h file, but fell to Black's counter-attack. Santo-Roman won the French title, with Boris only fifth (B Spassky, White; M Santo-Roman, Black; Dutch Defence, Leningrad system: Montpellier 1991).

1 d4 f5 2 g3 Nf6 3 Bg2 g6 4 Nh3 Usual is 4 Nf3 with c4 and Nc3.Bg7 5 c4 0-0 6 Nc3 d6 7 d5 Na6 8 Nf4 Maybe 8 0-0 with Be3-d4. e5! A temporary sacrifice to avoid a white piece settling on e6. 9 dxe6 c6 10 h4 Nc5 11 h5 gxh5 12 Nxh5 Nxh5 13 Rxh5 Bxe6 14 Bh6? Allows the BQ into action; a better chance for attack is 14 Be3 with Qc2,0-0-0, and Rdh1. Bxh6 15 Rxh6 Qg5 16 Rh4 f4! 17 Qd2 Bxc4 18 0-0-0 Bxa2! So that if 19 Nxa2? Nb3+. Spassky tries a hopeful exchange sacrifice. 19 Qxd6 fxg3+ 20 f4 Qxh4 21 Qxc5 Bb3 22 Rf1 Rxf4 23 Rh1 Qf6 24 Ne4? A blunder, but White is lost anyway. Rxe4! 25 Bxe4 Qf4+ 26 Resigns.

CHESS No 899



White mates in two moves, against any defence (by J Warton,1926). Most competitors at the British Rapid Championship failed to find the key.

Solution Page XVIII

Leonard Barden

BRIDGE

MY THANKS to J.S. Mason of Madrid for today's hand from duplicate pairs:

N
♠ 10 6
♥ K 5
♦ A K 9 8 6
♣ A 10 8 4

W
♠ K Q 9 4
♥ 7 6 3
♦ Q 7 5 4
♣ Q 5

E
♠ J 7 5 3
♥ J 9 4 2
♦ J 10 2
♣ 6 2

S
♠ A 8 2
♥ A Q 10 8
♦ 3
♣ K J 9 7 3

With neither side vulnerable North dealt and opened with one diamond, South replied with two clubs, and North said three clubs. South bid three hearts, a responder's reverse which is forcing, and North said four diamonds. After four spades from South and five diamonds from North, South's six no trumps closed the auction.

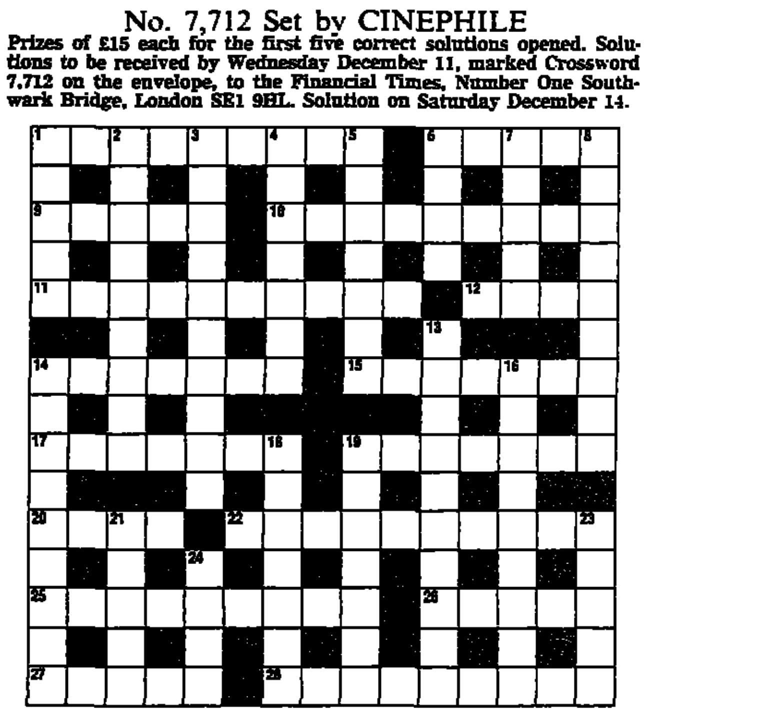
West led the spade king, on which East dropped the seven. With five club tricks – unless he could drop the queen, there was no hope – one spade, three hearts, and two diamonds, the declarer had 11 tricks. He might drop the heart knave in three rounds, and there might be a squeeze. For this to work, he must rectify the count. Letting the spade king hold, South won East's knave with his ace, and cashed ace, king of clubs. He breathed a sigh of relief when the queen dropped on his left, and ran three more clubs, throwing a diamond from dummy. East threw two spades and a diamond, and West discarded two hearts – very revealing – and one diamond. South made heart king, crossed to his ace, and West let go the spade nine. South can place West with the spade queen, and three diamonds. Now the heart queen forces another diamond from West, who has to hold on to his queen of spades. South now knows that neither defender can guard diamonds, and makes ace, king, nine for contract. *Muchas gracias.*

E P C Cotter

CROSSWORD

No. 7,712 Set by CINEPHILE

Prizes of £15 each for the first five correct solutions opened. Solutions to be received by Wednesday December 11, marked Crossword 7,712 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday December 14.



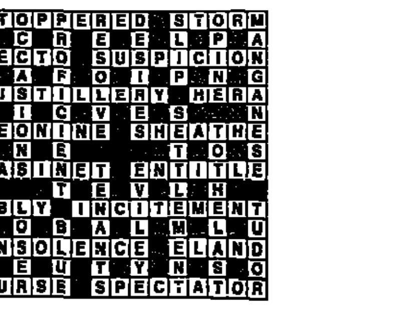
Name..........

Address..........

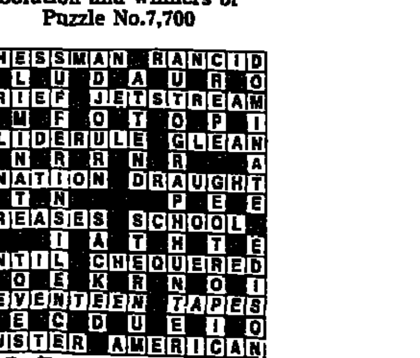
ACROSS
1 Confront top people in beauty treatment (4,5)
6 Dram costing more? Do your sums (3,2)
9 Gone off to a port (5)
10 Apostle outside round church structure to measure walking distance (9)
11 Sins are very old hat in Paris (10)
12 See 24
14 Depart (funny about that) with expression of surprise (4,3)
15 Batsman playing: he's out (7)
17 Obese readers (FT) sound stupid (7)
19 Something sinister, embargo including round church structure (3,4)
20, 6 down Interval for Hamlet if needed (4-4)
22 Academic award for feeling of togetherness (10)
25 Sort of blue herb will make money (5,4)
26 Famous number by health (5)
27 Great wandering bird (5)
28 Wood completely coming to stop (9)
18 Law enforcer, female, raised female tree (7)
19 Support runaway round pole (7)
21 A thickness of a hen? (5)
23 Try to sell to the audience a part of a cycle (5)
24, 12 Maybe sole accommodation for type of toper (8)

DOWN
1 High tension following fruit of struggle (5)
2 Counterbalance influence outside an establishment (6,3)
3 Churchwarden, religious, George by name, makes a moving target (4,6)
4 Unmasked and left to die? (7)
5 Finish up among crowd, maybe with method (7)
6 See 20 across
7 All the musicians start showing *disapproval* (5)
8 Bird, perhaps, on beast of burden (9)
13 Business isn't straight: they blow obliquely (5,5)
14 Don't give it an oral examination: it may be Trojan (4,5)
16 Talk to king, with god of love about, in Soviet peninsula (9)

Solution to Puzzle No.7,711



Solution and winners of Puzzle No.7,700



Mr D. Charlton, Kenilworth.
Mr F. Barratt, Edinburgh.
Mrs J. Hepburn, Manchester.
Mr C. Kennedy, Canterbury.
Mrs S. C. Presswood, Poynton, Cheshire.

Who can afford another referendum?

***Dominic Lawson** on the problems, grammatical and political, of a vote on Europe*

NOW that Lady Thatcher has let the genie of the referendum out of the bottle, or rather the handbag, I fear that we might have to endure the most sterile debate of the mid 1970s all over again. That is to say, we will have to listen to countless pundits arguing whether the correct English plural of referendum is referendums or referenda. I felt it was inevitable after seeing the heading on *The Times* letter pages yesterday: "Lessons from the past on the wisdom of referendums."

We can be sure that the foot of the correspondence columns of *The Times* will be filled with pompous pedants arguing about da and dums.

I have another personal reason for recalling the 1975 vote with some pain. It was the first occasion on which I was old enough to vote, and my mother, who was what I suppose is now called "pro-European" drove with me to our local polling station, which was placed inside Baden Powell House, South Kensington.

After we emerged my mother asked me how I voted, and I said "to leave the Community." Without a word she jumped into the car and drove home without me. Well, it was only a ten minute walk, but as I meandered back, I felt somehow socially unacceptable.

The problem then was the nature of the political divide between the Yes and the No camps. "Yes" covered everyone who was socially acceptable in the comfortable middle ground, and some who were on the borderline of social acceptability such as the business and artistic communities.

"No" seemed at times a hybrid of Enoch Powell, whose rallies tended to attract some Union Jack wavers of a rather unsavoury sort and Anthony Wedgwood Benn, who was then the national bogeyman.

It was hard to avoid the impression that the majority of British people were voting not on whether or not they wanted to be part of the European Economic Community, as it was then called, and still properly should be, but for the group of people they would most like to have had as house guests.

I fear that, if there were to be another referendum, a similar process would ensue, dashing the hopes of those who feel that the people are certain to reject the chimera of a single European currency.

While it is true that recent polls indicate that most people are opposed to this policy in the abstract, things change when personalities are brought into the argument. The *Daily Telegraph* ran a fascinating poll on Thursday, which showed that 34 per cent were in favour of a single European currency involving Britain, and 44 per cent against.

But when the same people were asked the same question, but with the added supposition that Major, Kinnock and Ashdown were in favour of the Single Currency, and that Mrs Thatcher, Mr Tebbit, and Mr Benn would advise a vote against, the result turned right around, with more responding in favour of the Single Currency than against.

One must not read too much into a single opinion poll, but I suspect that this one illuminated a hidden problem for the anti-federalists. And there is a bigger problem, which will emerge only if there is a referendum. Votes can be bought.

On Friday the director general of the CBI wrote an article warmly in favour of the single currency, and I am sure Mr Banham was representing the views of his members. Just as in 1975, big business will put its monetary weight behind the European federalists camp, and prove that advertising pays.

Exactly the same things happened last year in the vote in Canada on a free trade treaty with the US. Big Canadian business bought the electorate, and while I would have voted in favour of the Treaty if I were a Canadian, I would not have admired the process by which it was achieved.

The flouting of the law on Sunday trading by the big supermarkets is a mere jab of British corporate muscle. Big business's heavy punches have yet to be felt in the "great debate".

■ *Dominic Lawson is the Editor of The Spectator.*

Private View

An artist's impression of the world

***Christian Tyler** talks to Fred Cuming, a landscape painter who puts his emotions on his canvasses*

IT IS the way a painter sees that matters, not the way he looks. Fred Cuming may look like a trawlerman; he may complain that he sounds like a barrow-boy. But many people think he paints like a dream.

The artist's world is beautiful to behold and cruel to inhabit. An artist who has chosen to devote his life to the moods of Nature does not escape the moods of the bank manager. Cuming is 61 now, and although elected early to the Royal Academy he has only in recent years been able to earn enough from his pictures to support himself and his family.

For a man who spends such long hours in his world, Cuming is surprisingly adept at jumping back into ours. He may be intimidated by the art salon but he is unaffectedly gregarious in the local pub, greeted on all sides as he drives up in his second-hand, champagne-yellow Mercedes ("my accountant said it would be tax-deductible.")

He says he worries about the outside world, about unemployment, war and the destruction of the environment for profit. But he has to put his painting first.

It is hard work; and for a landscape painter in England it can be cold work, too. Cuming works sometimes from a shed on Rye harbour, at other times in the open country. He remembers setting up his easel in the snow to paint some cows in a pen:

"They were lovely brown and black, with all the straw trampled down, a lovely rich colour in this field of white. After two hours the farmer came out with a glass full of Scotch. He was very impressed. He obviously thought that a painter was somebody who sat in a nice warm studio."

Cuming's studio is upstairs in his house near Rye on the south-east coast. There are goldfish in a tank, a big poster of Beethoven on the wall and a stereo player. The room is stacked with paintings in progress: treescapes, the garden, marshes, harbours, beaches. Some are lying fallow for a decision or for the right season to come round again, some are waiting for nature to repeat an ephemeral trick of light, others will be finished indoors with the help of sketches in black notebooks. Their creator energetically and unselfconsciously plucked them out one by one to illustrate his methods.

I asked how he chose his subjects.

"Mood is always the thing. Mood is the thing that really starts me off. Obviously I'm stimulated by something – it might be a view, it might be an interior."

Does your mood have anything to do with it?

"Oh, yeah. If you're a depressed person, you'll tend to go for gloomy things. And I'm not. I've had fits of depression – I still have fits of depression sometimes, especially if the taxman's after me." He gave a corncrake cackle of a laugh.

"But . . . I was looking at an evening recently – November. It had been a very grey, horrible day and the evening was the most marvellous violet colour, in some ways very depressing but also very, very beautiful.

"I was really taken by it and I've got plans to do a picture about it. The light was transforming a landscape I've seen dozens of times before. Suddenly you know you want to paint it. What it did was, it simplified everything right down to colour and silhouette.

"I've been painting about the same sort of things all my painting life. Even as a young student there was an emotive response to atmosphere and light and so on. And a response to those kind of painters, people like Turner and Corot who were capable of getting these kinds of emotions across in paint."

Cuming thinks the reason he paints landscapes is that he grew up on a monotonous housing estate in south London. He used to escape to the woods on Shooters Hill. Then, as an evacuee during the Blitz, he saw the real countryside. Between bouts of bombing he would return to London and go down to the river Thames.

"That was fascinating because it was a very busy river in those days: all those marvellous shapes and the water and the wharves and the lovely colour that old, rather decrepit buildings have – they weather and get covered in slime and lichens. Millions of boats about. I used to go backwards and forwards on the Woolwich ferry, drawing."

He has been told there is a lot of the abstract in his pictures. They are not just scenic records, he said, but laboriously planned compositions. "I do manipulate my paintings an awful lot in order to get to what I want."

What he wants is colour.

"Great artists like Chardin can produce a masterpiece with very few colours. You can give another painter all the pigment in the world and he'll make a pig's ear of it.

"I've become more and more interested in colour, ideas about colour. I suppose I think colour has an emotional, an evocative response. It slips away from me at times, regressing to tonal painting. But I think I'm finding out more about it as I go on. It's a very subtle process."

Cuming remembers even as a small child being intrigued by the optical illusion of drawing and painting. His formal schooling was disrupted by the war, and it was not until he was sent at 15 to the little art school at Sidcup in Kent that the light dawned. "It was like doors opening all over the place. It was just an incredible experience."

There he learned that film was an art form and came to revere directors like David Lean, Billy Wilder and Satyajit Ray. He learned to love literature, jazz and classical music.

At the age of 39, a teacher by day who painted by night, Cuming was elected to the *Royal Academy*. "That cheered me up immensely. It came at a time when things were pretty bleak: we were considering papering the hall with the bailiffs' notices."

Wasn't the RA a meal ticket?

"No. I thought it might be. I was rubbing my hands and thinking I'll start making some money now. But it was another ten years before it began to take off.

"I suppose I'm a lucky one, really. A lot of good painters don't make much. Though I must say I've been pretty professional about not refusing anybody who wanted to show one of my pictures."

He said he was never tempted to paint crowd-pleasers. "Even Matisse had to do potboilers early on. I try not to do potboilers. I try to keep some painterly problem in front of my nose all the time."

Selling pictures could be a black comedy, he said, like van Gogh's failure to earn a penny until he was dead.

"I don't understand money and I don't covet money. I make a bit of money because I need it. I would sooner have the van Gogh than the millions it fetches now."

Do you worry about money?

"No. I've never worried about money. I get into terrible financial difficulties because I don't worry enough about it. If it's meant running up an overdraft to have the right frames then I have the overdraft. I don't really understand how money works."

I asked Cuming about his place in modern painting.

"What's happened this century is everything has gone so fast because of the media, film and books. One of the problems has been the necessity for artists to be original all the time. I don't know who's to blame: the artists, the galleries, or the dealers. An interesting movement comes along, lasts two years and then it's gone."

If critics say of you that you're not innovative . . .

"Oh, I'm stuck in the mud as far as the critics are concerned."

. . . is that a misjudgment by them? Do you feel hurt by it?

"No, I don't think so. I'd love to be original but I don't know . . . you can't produce art just like that. It's something that evolves."

I remarked that he seemed down-to-earth.

"In some ways, yes."

You mean you're more abstracted than you appear to be?

Cuming chortled. "To take up something like painting, there's something wrong, obviously, in the first place. You're a misfit, or society thinks you are . . . I don't know quite what it is."

What sort of misfit?

"It must be like writing or composing music. You become first of all interested, and then somewhere along the line you become totally absorbed. What you're trying to do is anyway difficult, it's not easy. What makes a Picasso work, or a Matisse work? There's all sorts of things; there's stubbornness involved in it – because you can paint for years, which I did, without anybody taking much notice.

"Human beings at their best are very creative people. Art is all a part of a rounded person. I can't imagine living without, say, Shakespeare or Mozart or Bach or Beethoven, or some of the poets. This is all part of the best side of living."

Yet somehow painting is not as accessible as the rest, I said.

"It ought to be made to be. The depths of enjoyment and emotion that I have got looking, say, at someone like Rembrandt or Titian or El Greco or Goya or Constable or Turner . . .

"It's an excellence thing. Someone once asked me in a pub what's interesting about painting, and I said: 'Well, I suppose I've got one life on this planet and I enjoy excellence.' If it's a football match I like to watch a good one. If it's a game of tennis . . . I'll always remember Borg against McEnroe at Wimbledon. Tremendous sporting events. Absolutely gripping.

"We've just been to Stratford for the first time and saw *Twelfth Night* with Freddie Jones as Malvolio; and it was terrific, absolutely wonderful. It was just watching excellence.

"If you're going to have a meal, have a nice one. If you're going to have a glass of wine, have a good one. If you're going to have a pint of beer, don't get a flat one."

A year of writing dangerously

Michael Thompson-Noel

LIKE you, I am flummoxed by the body-blows being rained on the English criminal justice system, the judiciary and police. The whole edifice seems to be tottering, seems rotten to the core.

On Monday, the Court of Appeal cleared Winston Silcott of involvement in the murder of PC Keith Blakelock during the Broadwater Farm riots in 1985, after hearing evidence that the police officer leading the investigation had fabricated evidence. On Wednesday, the other two members of the Tottenham Three were freed on bail. The judges were told that the evidence against these two had been contaminated by the "apparent dishonesty" of the senior police officer.

As one of the papers reported: "The judgment is the latest in a series of blows to the criminal justice system, including the cases of the Guildford Four, the Maguire Seven, the Birmingham Six, and cases linked to the disbanded West Midlands Serious Crime Squad."

What a terrible mess.

Yet to an optimist like me, this week's events can be viewed through an alternative prism – can be seen as signalling a purge, a cleansing of the system, purifying and expiatory.

That, at any rate, was what I told a panel of Extremely Senior Colleagues, ESC's, when I appeared before them yesterday to purge from the record, as it were, one or two blemishes that have marked this column, ever so faintly, during its first 12 months.

Hawks & Handsaws is one year old today. As I told the ESC's, during the first year of its existence H&H has tried to be entertaining, has attempted to amuse, has never once been used to poke fun at the innocent or satirise anyone who wasn't big enough to hit back.

The ESC's nodded wisely. They really are good men. One of them is rumoured to buy his shirts and ties at Tesco's, but in my book that underlines his decency and humanity.

Gentlemen, I said, in spite of its obvious merits there have been one or two moments when Hawks & Handsaws veered from the straight and narrow, let its standards slip – or so it is alleged. But if we put our minds to it, I think we can dismiss all charges.

For example, I said, in the column of January 12 1991 one or two people think I was gratuitously insulting to call Cecil Parkinson, Britain's former transport secretary, foppish. "What used to anchor my distaste," I wrote, "was his aloofness in the face of the mess that masquerades as Britain's transport policy."

It is true, gentlemen, that some people objected violently to my remarks about Cecil. One anonymous letter-writer called me a cretin. But I submit that you can say what you like about transport secretaries without ever challenging the law of libel or the rules of good taste. Accusing me of being a

HAWKS & HANDSAWS

cretin was monstrous and vindictive. The evidence was contaminated. The charge must be expunged.

The ESC's nodded wisely. We concur, their chairman said.

Thankyou, I said. Charge No 2 concerns the column of January 26, when I pretended that I stood a good chance of sweeping nine major prizes in the British Press Awards. Unfortunately, some people thought I was serious. I was accused of hubris and worse. The trouble with my line of work is that some people think I'm being serious when I'm only being funny, or funny when I'm serious. It's having the knack that helps. I would like this charge of hubris flung out on its ear.

We concur, said the ESC's.

Thankyou, I said. Charge No 3 relates to the column of August 3, when I called someone a Cro-Magnon twit. I was writing, in that column, about my contempt for blood sports, and happened to mention an advertisement in *Country Life* showing a "Cro-Magnon twit in a Barbour jacket" with hairy forearms and a hunting bird.

I *thought* he was a model. Unfortunately, he was real. He telephoned me. "Hello," he said, "this is the Cro-Magnon twit you wrote about on Saturday." I thought he was going to come and punch me in the eye, but he turned out quite civilised. I used the power of charm. It was an honest mistake, gentlemen. Not part of a pattern. The circumstances were extenuating. If you knew anything about my childhood –

– Charge dismissed, said the ESC's.

Thankyou, I said. I was now in sight of the finishing post. Charge No 4 is extremely minor, I told the ESC's, but we may as well deal with it. On August 17 I used a split infinitive. I was writing about the media. In the US, I wrote, new types of journalism were arising to "further congest" the competitive jungle wherein traditional media fought for revenue and attention. "Further congest" . . . I *think* that is a split infinitive. The Books editor said it was –

– Charge dismissed, roared the ESC's as one.

Thankyou, gentlemen. Charge No 5 is equally slight, though it involves an element of recidivism. On August 24 I wrote about my rank as a Kentucky colonel, and said I enjoyed matching honorary rank in the KGB. I mis-spelt "honorary" – slipped in a "u." I am afraid it happened twice. I was under tremendous pressure. Deadlines looming horribly. People shouting and rushing –

– Charge dismissed, said the chairman of the ESC's, looking at me kindly.

Thankyou, I said. There is only one other charge on the sheet, I told them. Last Saturday I wrote woundingly about the *FT's* Jurek Martin's tennis talents. I likened him to Patti Pitterpat. Naturally, he was upset. He has demanded to play me next week. I plan to be very gentle, to win by the smallest margin. This will not be a problem. I can hit dropshots an inch past the baseline.

Charge dismissed, chorused the ESC's.

Like I said – purifying and expiatory.

هكذا من الأصل